

President
Willis A. Farris

Superintendent
Richard A. Schwartz

Vice-President
Alvin C. Dowden, Jr.

Vernon Parish School Board

201 Belview Road
LEESVILLE, LOUISIANA 71446
(318) 239-3401
Fax (318) 238-5777

BOARD MEMBERS:

District One

Richard W. "Dickie" Bailes
Gerald Burns
Alvin C. "Chuck" Dowden, Jr.
M. Gene Haymon
C. A. Hughes
Kim Reese
Mark H. Smith
Linda West
Betty Westerschil

District Two

W. W. "Bill" Parker

District Three

Willis A. Farris

District Four

Murphy O'Banion

District Five

B. R. Harvey

District Six

Philip L. Gunn

District Seven

Benard McKee

December 2, 1997

Mr. Willis A. Farris, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

Dear Board Members:

The Comprehensive Annual Financial Report of the Vernon Parish School Board (School Board) for the year ended June 30, 1997, is submitted herewith. This report has been prepared by Finance Department personnel following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada.

A. Management Responsibility

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

B. CAFR

The Comprehensive Annual Financial Report (CAFR) consists of three parts:

(1) The Introductory Section. This section includes a transmittal letter, information on financial reporting achievements, the School Board's organizational structure, recognition of the elected officials of the School Board and a list of selected administrative officials.

(2) The Financial Section. The School Board's financial statements and schedules are presented in accordance with the financial reporting pyramid set forth by the Governmental Accounting Standards Board. The financial section consists of both general-purpose financial statements, which present an overview and broad perspective of the School Board as a whole and more detailed combining and individual fund and account group statements and schedules.

Mr. Willis A. Farris, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

B. CAFR (Continued)

Combining statements are presented when a School Board has more than one fund of a given fund type. Various statements are also used to demonstrate finance-related legal and contractual compliance, present other information deemed useful, and provide details of data summarized in the financial statements.

(3) The Statistical Section. Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Vernon Parish School Board for the past ten years.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on the internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

The School Board provides a full range of educational services appropriate to grade levels K through 12. These include providing instructional personnel, instructional materials, instructional facilities, food service facilities, administrative support, business services, systems operations, plant maintenance and bus transportation. These basic services are supplemented by a wide variety of offerings in the fine arts and athletics.

C. Reporting Entity

The report includes all entities or organizations that are required to be included in the School Board's reporting entity. The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Vernon Parish School Board (the primary government). Based on the above criteria there are no component units included in the School Board's reporting entity.

D. Economic Condition and Outlook

The economy of Vernon Parish is driven primarily by the Fort Polk military installation, the fifth largest such facility in the nation. Over half the 17,080-person work force of Vernon Parish is comprised of active duty military personnel, and an additional 5,040 civilians are also employed by the base. Aside from its \$617 million annual direct economic impact on Vernon Parish, Fort Polk indirectly influences the area's economy as well. One-third of the population of Vernon Parish is comprised of military personnel or their families living on- or off-base. This influx of career- and family-age population gives the area a relatively low median age, a factor which appeals to companies seeking to build industrial and manufacturing establishments. The large military population has also drawn specialists to both Bayne-Jones Army Community Hospital and civilian medical practice, giving the Vernon Parish area substantially better medical and health care technology.

Mr. Willis A. Farris, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

D. Economic Condition and Outlook (Continued)

This area's proximity to a wealth of natural resources is the next largest economic influence and one with tremendous growth potential. With a \$40 million economic impact, forestry is chief among the industries driven by the climate and vegetation of Vernon Parish. Other industries necessitated by forestry, such as freight and processing, led to the creation of two industrial sites. Infrastructure improvements to Leesville Northside Industrial Park were completed in January 1995. Five motor freight carriers serve Vernon Parish, and Lake Vernon has an ample water supply for industrial purposes. Other lakes and the over 84,000 acres of Kisatchie National Forest are also contained in Vernon Parish, all of which are abundant with game and fish. The geography of Vernon Parish is rich with opportunities for augmentation of existing resources for both recreational and industrial applications.

There are four home health agencies in Vernon Parish. Retirees from the military facility, low crime rate, low cost of living, access to medical facilities, several recreation areas and parks, and new inheritance laws have led to an increase in retiree population for Vernon Parish. Existing facilities have undergone construction and increased their number of employees to accommodate the elderly population.

Educational facilities in the immediate area are geared toward practical education with programs aimed specifically at future employment possibilities for students. A branch of Louisiana Technical College is located in Vernon Parish, and six colleges are located seventy miles or less from the Leesville-Fort Polk area. The Parish Library recently relocated to a newly constructed facility and added electronic reference, Internet access, and connections to university library holdings throughout the state.

E. Major Initiatives

For the Year

The School Board received a *Louisiana Education Achievement and Results Now* grant for the 1996-1997 school year. Funds from the grant were used to purchase computers for each fifth and sixth grade classroom in the parish. The acquisition of these computers assured every elementary child the opportunity for daily access to computers. Additional funds were used to purchase quality mathematics and science software. Teachers were provided in-service on how to effectively use computers in the classrooms.

As a result of an act of the Louisiana Legislature, each parish was tasked to produce curriculum guides for the major curriculum areas correlated to the national frameworks and Louisiana Benchmarks. The mathematics curriculum, grades K-12, was completed and the language arts curriculum was placed in the schools for review, prior to implementation.

All Title I schools implemented school-wide projects. The utilization of these funds together with federal special education funds has allowed greater flexibility in upgrading the entire educational program in the schools. Paraprofessionals, hired for these programs, are available to assist students in the classrooms.

There was a major effort made to re-roof school buildings in Ward 1 and a new library was completed in Ward 6.

Mr. Willis A. Farris, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

For the Future

Vernon Parish cares about education and has a tradition of pride in its schools. That tradition will be continued through a commitment to innovation in learning programs. We must continue to seek out new methods to insure success for every student.

Vernon Parish School Board receives federal Impact Aid funding due to the Fort Polk military installation being located in Vernon Parish. The amount of aid received can fluctuate. This uncertainty provides a challenge in addressing the problems shared by many school systems across America - teacher's salaries and school plant improvement. Effective and decisive leadership will be required to address these problems given the fluctuation in Impact Aid funding.

F. Internal Control

Management of the School Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

We believe the School Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the School Board also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

As a part of the School Board's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 1997 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

G. Budgetary Controls

In addition, the School Board maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. School Board policy provides that expenditures within a fund may not exceed appropriations by more than five percent. Revisions to the budget enacted require School Board approval.

As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

Mr. Willis A. Farris, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

H. Financial Condition

General Educational Functions

General educational activities which are accounted for in the general fund are supported principally by local taxes and state entitlements. Substantial sums of federal aid are made available to the Louisiana Department of Education which are subsequently distributed to local entities. General fund revenues are as follows:

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1996</u>
Local	\$ 7,540,717	16.9	\$ 1,123,060
State	33,786,468	76.0	1,542,774
Federal	<u>3,106,108</u>	<u>7.1</u>	<u>(552,681)</u>
	<u>\$44,433,293</u>	<u>100.0</u>	<u>\$ 2,113,153</u>

General fund expenditures by function were as follows:

<u>Item</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1996</u>
Instruction	\$30,799,627	71.6	\$ 564,713
General administration	901,413	2.1	(396,528)
School administration	2,598,707	6.0	(110,159)
Business services	368,560	.9	1,831
Plant services	4,128,024	9.6	170,203
Student transportation services	3,848,076	9.0	180,915
Central services	143,343	.3	(52,431)
Food services	68,879	.2	11,863
Community service programs	900	.0	(2,570)
Facilities acquisition and construction	<u>134,320</u>	<u>.3</u>	<u>126,672</u>
	<u>\$42,991,849</u>	<u>100.0</u>	<u>\$ 494,509</u>

Special Revenue Activities

Special revenues of \$8,701,812, including \$1,271,241 of state sources, \$1,812,132 of local sources, and \$5,618,439 of federal sources, were restricted for use in sixteen separate activities. The school food service fund accounts for \$3,156,214 of these revenues. The School Lunch Program is administered by this fund. Of the remaining revenues, \$1,570,150 funded the Title I program for educationally deprived students and \$1,017,659 funded the Head Start program for economically disadvantaged preschool children. The remainder was designed primarily to: (1) provide instructional and related services for special education and (2) provide extended day remedial instruction including books, tapes and audiovisual hardware and software for general student population.

Mr. Willis A. Farris, President
 and Members of the Board
 Vernon Parish School Board
 Leesville, Louisiana

H. Financial Condition (Continued)

Special revenue funds expenditures by function were:

<u>Item</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1996</u>
Instruction	\$3,898,413	41.7	\$ (75,097)
General administration	193,540	2.1	(4,473)
School administration	38,709	.4	(46,500)
Business services	30,123	.3	(2,805)
Plant services	550,694	5.9	(133,140)
Student transportation services	108,353	1.2	(250,288)
Central services	8,640	.1	(8,047)
Food services	3,572,360	38.2	63,419
Facility acquisition and construction	914,086	9.8	602,723
Debt service	<u>30,589</u>	<u>.3</u>	<u>30,589</u>
	<u>\$9,345,507</u>	<u>100.0</u>	<u>\$176,381</u>

Debt Service Activities

The changes in general long-term obligations are as follows:

	<u>July 1, 1996</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 1997</u>
General obligation bonds	\$12,725,795	\$ -	\$679,313	\$12,046,482
Capital leases payable	95,390	-	25,891	69,499
Compensated absences payable	<u>776,125</u>	<u>206,680</u>	<u>-</u>	<u>982,805</u>
	<u>\$13,597,310</u>	<u>\$206,680</u>	<u>\$705,204</u>	<u>\$13,098,786</u>

Fiduciary Activities

The sales tax agency fund comprises three-fourths of the School Board's agency fund activities. This fund accounts for sales tax collected on behalf of other taxing authorities in Vernon Parish. The school activity funds are held by the individual schools of the School Board to support school activities such as athletics and other student organizations. All school activity funds are audited annually.

Mr. Willis A. Farris, President
 and Members of the Board
 Vernon Parish School Board
 Leesville, Louisiana

I. Significant Changes in Financial Condition

The fund balance of the general fund increased to bring the restated fund deficit at June 30, 1996 of \$(44,034) to a positive fund balance of \$1,255,795 at June 30, 1997. The increase is due mainly to the following:

- Sales tax revenue increased \$865,858 due mainly to collection of use tax resulting from an increase in the number of oil and gas rigs in the parish.
- State equalization revenue increased \$1,449,971.
- Federal Impact Aid revenue decreased \$673,094 from 1995-1996 to 1996-1997.
- Instruction expenditures increased \$564,713 due mainly to an increase in teachers salaries.

J. Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit and the Louisiana Asset Management Pool (LAMP) administered by the state Treasurer. The School Board earned interest revenue of \$375,229 on all investments for the year ended June 30, 1997.

The School Board's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were collateralized by instruments issued by the United States Government or federal government agencies created by an act of congress or insured by the Federal Deposit Insurance Corporation.

K. Debt Administration

At June 30, 1997, the School Board had \$12,046,482 in general obligation bonds outstanding with maturities from 1998 to 2024 and interest rates ranging from 3.75 to 11.00 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 1997 the School Board's net bonded debt of \$10,618,754 (total bonded debt of \$12,046,482 less assets in debt service funds of \$1,427,728) was well below the legal limit of \$32,821,810.

	<u>Amount</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt per Capita</u>
Net direct general obligation bonded debt	<u>\$10,618,754</u>	<u>11.3 %</u>	<u>\$200</u>

The School Board maintained a Baa bond rating from Moody's Investors Service.

Mr. Willis A. Farris, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

L. Risk Management

The School Board maintains a combination of self-insurance and stop-loss coverage for workers' compensation insurance. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$150,000.

M. Independent Audits

The report of our independent certified public accountants, Allen, Green & Company, LLP, follows as an integral component of this report. Their audit of the general-purpose financial statements and accompanying combining and individual fund and account group statements and schedules was performed in accordance with generally accepted auditing standards and, accordingly, included a review of the School Board's system of budgetary and accounting controls.

N. Awards

The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) issues a Certificate of Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report. To be awarded these certificates, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. These certificates are valid for a period of one year only. The School Board was awarded this Certificate of Achievement for the Comprehensive Annual Financial Report for the year ended June 30, 1996.

The Vernon Parish School Board received the Association of School Business Officials, International Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 1996. The award certified that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1996, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

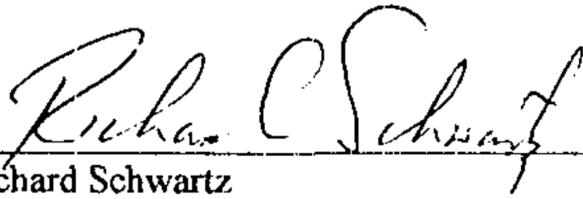
The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1997, which will be submitted to GFOA and ASBO for review, continues to conform to the principles and standards of each organization.

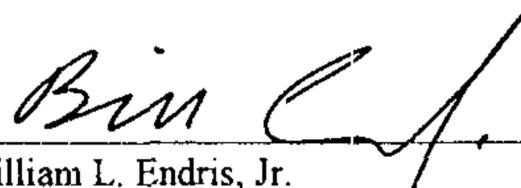
Mr. Willis A. Farris, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

O. Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. We want to express our appreciation to them for their assistance. We also thank the members of the School Board for their interest and support in planning and conducting the financial operations of the school system in a responsible and progressive manner.



Richard Schwartz
Superintendent of Schools



William L. Endris, Jr.
Director of Business Affairs

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Vernon Parish School
Board, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1996

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda M. Savitsky
President

Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

VERNON PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1996

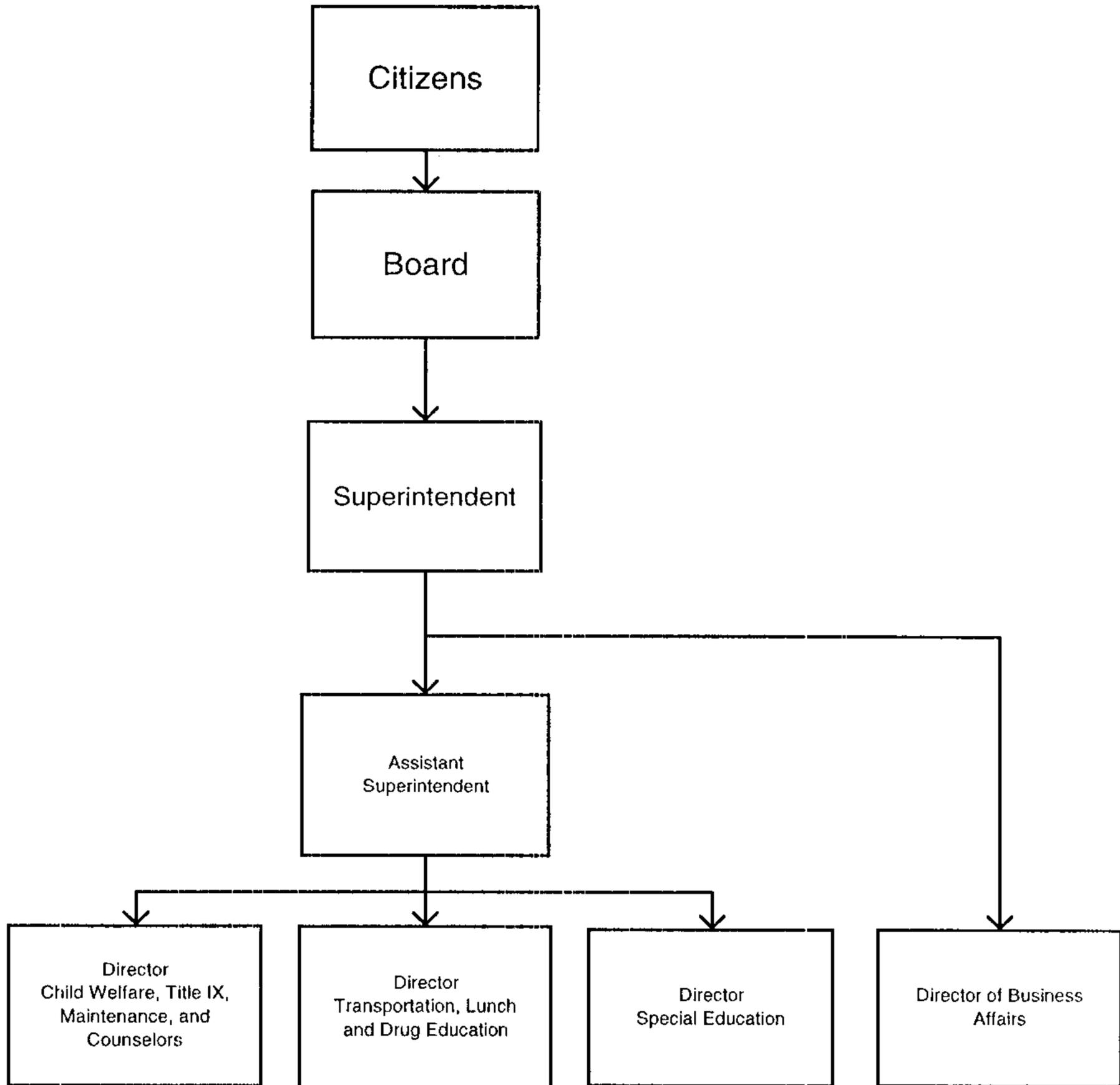
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Wai O. Bofah
President

Don L. Hargis
Executive Director

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

ORGANIZATION CHART



VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

ELECTED OFFICIALS
JUNE 30, 1997

<u>BOARD MEMBER</u>	<u>DISTRICT</u>
Willis A. Farris, President	3
Richard W. "Dickie" Bailes	1
Gerald Burns	1
Alvin C. "Chuck" Dowden, Jr.	1
M. Gene Haymon	1
C. A. Hughes	1
Kim Reese	1
Mark H. Smith	1
Linda West	1
Betty Westerchil	1
W. W. "Bill" Parker	2
Murphy O'Banion	4
B. R. Harvey	5
Philip L. Gunn	6
Benard McKee	7

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SELECTED ADMINISTRATIVE OFFICIALS
JUNE 30, 1997

Richard A. Schwartz

Superintendent of Schools

Dr. Larry Monk

Assistant Superintendent

William L. Endris, Jr.

Director of Business Affairs

Dottie Neugebauer

Director of Special Education

Michael Perkins

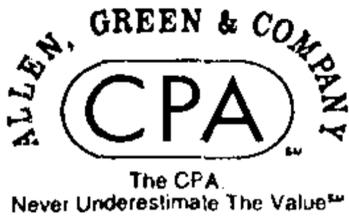
Director of Child Welfare and
Attendance, Title IX, Maintenance
and Counselors

Jackie Self

Director of Transportation, Lunch
and Drug Education

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



2414 Ferrand Street
Monroe, Louisiana 71201
Telephone (318) 388-4422

Post Office Box 6075
Monroe, Louisiana 71211-6075
Facsimile (318) 388-4564

Web: <http://www.allengreencpa.com>

Ernest L. Allen, CPA
(A Professional
Accounting Corp.)

Tim Green, CPA

Margie Williamson, CPA

INDEPENDENT AUDITORS' REPORT

Board Members
Vernon Parish School Board
Leesville, Louisiana

We have audited the accompanying general-purpose financial statements of Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Vernon Parish School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vernon Parish School Board as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 25, during the year ended June 30, 1997, the Vernon Parish School Board began accruing sales tax collected by vendors in June 1997 and remitted in July of 1997 in accordance with Governmental Accounting Standards Board Statement No. 22, Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds.

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 1997, on our consideration of the Vernon Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Vernon Parish School Board, Leesville, Louisiana, taken as a whole. The accompanying combining and individual fund and account group statements and schedules are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The information identified in the table of contents as the introductory section and statistical section is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Vernon Parish School Board, Leesville, Louisiana. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and accordingly we express no opinion on it.

Allen, Green & Company, LLP
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 2, 1997

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1997

	*****GOVERNMENTAL FUNDS*****			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUND
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 959,566	\$ 327,407	\$ 25,773	\$ 567
Investments	3,737,800	716,843	1,400,043	0
Receivables	989,448	645,862	13,211	0
Interfund receivables	317,980	60,803	0	0
Inventory	0	47,222	0	0
Land, buildings and equipment	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 6,004,794	\$ 1,798,137	\$ 1,439,027	\$ 567
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	\$ 4,704,908	\$ 738,388	\$ 0	\$ 0
Interfund payables	44,091	323,393	11,299	0
Deposits due others	0	0	0	0
Deferred revenues	0	13,330	0	0
Bonds payable	0	0	0	0
Capital leases payable	0	0	0	0
Compensated absences payable	0	0	0	0
Total Liabilities	\$ 4,748,999	\$ 1,075,111	\$ 11,299	\$ 0
Equity and other credits:				
Investments in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:				
Reserved for debt service	0	0	1,427,728	0
Reserved for worker's compensation	276,969	0	0	0
Unreserved:				
Undesignated	978,826	723,026	0	567
Total Equity and Other Credits	\$ 1,255,795	\$ 723,026	\$ 1,427,728	\$ 567
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 6,004,794	\$ 1,798,137	\$ 1,439,027	\$ 567

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

FIDUCIARY FUNDS AGENCY FUNDS	*****ACCOUNT GROUPS*****			TOTAL (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS		
\$ 555,747	\$ 0	\$ 0	\$	1,869,060
418,595	0	0	0	6,273,281
0	0	0	0	1,648,521
0	0	0	0	378,783
0	0	0	0	47,222
0	53,699,550	0	0	53,699,550
			1,427,728	1,427,728
0	0	11,671,058		11,671,058
<u>\$ 974,342</u>	<u>\$ 53,699,550</u>	<u>\$ 13,098,786</u>	<u>\$</u>	<u>77,015,203</u>
\$ 0	\$ 0	\$ 0	\$	5,443,296
0	0	0	0	378,783
974,342	0	0	0	974,342
0	0	0	0	13,330
0	0	12,046,482		12,046,482
0	0	69,499		69,499
0	0	982,805		982,805
<u>\$ 974,342</u>	<u>\$ 0</u>	<u>\$ 13,098,786</u>	<u>\$</u>	<u>19,908,537</u>
\$ 0	\$ 53,699,550	\$ 0	\$	53,699,550
0	0	0	0	1,427,728
0	0	0	0	276,969
0			0	1,702,419
<u>\$ 0</u>	<u>\$ 53,699,550</u>	<u>\$ 0</u>	<u>\$</u>	<u>57,106,666</u>
<u>\$ 974,342</u>	<u>\$ 53,699,550</u>	<u>\$ 13,098,786</u>	<u>\$</u>	<u>77,015,203</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUND	TOTAL (MEMORANDUM ONLY)
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 759,108	\$ 831,559	\$ 1,561,915	\$ 0	\$ 3,152,582
Sales and use	6,473,895	0	0	0	6,473,895
Interest earnings	241,027	52,009	82,193	0	375,229
Food services	0	713,616	0	0	713,616
Other	66,687	214,948	0	0	281,635
State sources:					
Equalization	32,754,903	459,101	0	0	33,214,004
Other	1,031,565	812,140	0	0	1,843,705
Federal sources	3,106,108	5,618,439	0	0	8,724,547
Total Revenues	<u>\$ 44,433,293</u>	<u>\$ 8,701,812</u>	<u>\$ 1,644,108</u>	<u>\$ 0</u>	<u>\$ 54,779,213</u>
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$ 19,960,773	\$ 365,505	\$ 0	\$ 0	\$ 20,326,278
Special programs	5,816,307	1,302,295	0	0	7,118,602
Other instructional programs	1,793,359	1,507,140	0	0	3,300,499
Support services:					
Student services	1,665,900	99,452	0	0	1,765,352
Instructional staff support	1,563,288	624,021	0	0	2,187,309
General administration	901,413	193,540	50,319	0	1,145,272
School administration	2,598,707	38,709	0	0	2,637,416
Business services	368,560	30,123	0	0	398,683
Plant services	4,128,024	550,694	0	933	4,679,651
Student transportation services	3,848,076	108,353	0	0	3,956,429
Central services	143,343	8,640	0	0	151,983
Food services	68,879	3,572,360	0	0	3,641,239
Community service programs	900	0	0	0	900
Facilities acquisition and construction	134,320	914,086	0	0	1,048,406
Debt service:					
Principal retirement	0	25,891	679,313	0	705,204
Interest and bank charges	0	4,698	740,856	0	745,554
Total Expenditures	<u>\$ 42,991,849</u>	<u>\$ 9,345,507</u>	<u>\$ 1,470,488</u>	<u>\$ 933</u>	<u>\$ 53,808,777</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 1,441,444</u>	<u>\$ (643,695)</u>	<u>\$ 173,620</u>	<u>\$ (933)</u>	<u>\$ 970,436</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUND	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ 288,321	\$ 314,350	\$ 0	\$ 0	\$ 602,671
Operating transfers out	(430,151)	(172,520)	0	0	(602,671)
Other sources - sale of assets	215	2,680	0	0	2,895
Total Other Financing Sources (Uses)	\$ (141,615)	\$ 144,510	\$ 0	\$ 0	\$ 2,895
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES					
	\$ 1,299,829	\$ (499,185)	\$ 173,620	\$ (933)	\$ 973,331
FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED					
	\$ (547,607)	\$ 1,222,211	\$ 1,254,108	\$ 1,500	\$ 1,930,212
PRIOR PERIOD ADJUSTMENT					
	503,573	0	0	0	503,573
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED					
	\$ (44,034)	\$ 1,222,211	\$ 1,254,108	\$ 1,500	\$ 2,433,785
FUND BALANCES AT END OF YEAR					
	\$ 1,255,795	\$ 723,026	\$ 1,427,728	\$ 567	\$ 3,407,116

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

*****GENERAL FUND*****			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 686,905	\$ 686,905	\$ 0
Sales and use	6,202,945	6,473,895	270,950
Interest earnings	241,027	241,027	0
Food services	0	0	0
Other	64,681	64,681	0
State sources:			
Equalization	33,214,004	33,214,004	0
Other	1,031,563	1,031,565	2
Federal sources	4,006,106	3,106,108	(899,998)
TOTAL REVENUE	\$ 45,447,231	\$ 44,818,185	\$ (629,046)
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 19,974,852	\$ 19,974,879	\$ (27)
Special programs	5,816,300	5,816,307	(7)
Other instructional programs	1,794,301	1,794,259	42
Support services:			
Student services	1,665,885	1,665,900	(15)
Instructional staff support	1,563,280	1,563,288	(8)
General administration	1,118,601	911,051	207,550
School administration	2,600,449	2,600,457	(8)
Business services	368,553	368,560	(7)
Plant services	4,129,898	4,129,910	(12)
Student transportation services	3,848,066	3,848,076	(10)
Central services	143,340	143,343	(3)
Food services	68,876	68,879	(3)
Community service programs	900	900	0
Facilities acquisition and construction	32,815	32,815	0
Total expenditures	\$ 43,126,116	\$ 42,918,624	\$ 207,492
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 2,321,115	\$ 1,899,561	\$ (421,554)

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	*****GENERAL FUND*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 2,688,375	\$ 2,688,375	\$ 0
Operating transfers out	(3,384,323)	(3,287,267)	97,056
Other sources	121	171	50
Other uses	(1,011)	(1,011)	0
Total Other Financing Sources (Uses)	\$ (696,838)	\$ (599,732)	\$ 97,106
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 1,624,277	\$ 1,299,829	\$ (324,448)
FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ (354,326)	\$ (547,607)	\$ (193,281)
PRIOR PERIOD ADJUSTMENT	0	503,573	503,573
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED	\$ (354,326)	\$ (44,034)	\$ 310,292
FUND BALANCES AT END OF YEAR	\$ 1,269,951	\$ 1,255,795	\$ (14,156)

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	*****SPECIAL REVENUE FUNDS*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 820,260	\$ 831,559	\$ 11,299
Interest earnings	52,009	52,009	0
Food services	713,601	713,616	15
Other	214,948	214,948	0
State sources:			
Other	782,778	812,140	29,362
Federal sources	5,657,699	5,621,090	(36,609)
 TOTAL REVENUE	 \$ 8,241,295	 \$ 8,245,362	 \$ 4,067
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 533,193	\$ 533,014	\$ 179
Special programs	1,413,855	1,424,553	(10,698)
Adult and continuing education	1,630,714	1,629,904	810
Support services:			
Student services	99,441	99,452	(11)
Instructional staff support	620,846	620,858	(12)
General administration	195,135	195,135	0
School administration	57,853	57,853	0
Business services	30,123	30,123	0
Plant services	578,226	578,250	(24)
Student transportation services	138,936	138,942	(6)
Central services	8,640	8,640	0
Food services	3,580,085	3,586,501	(6,416)
Facilities acquisition and construction	441,614	441,616	(2)
 Total expenditures	 \$ 9,328,661	 \$ 9,344,841	 \$ (16,180)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (1,087,366)	 \$ (1,099,479)	 \$ (12,113)

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	*****SPECIAL REVENUE FUNDS*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 1,082,485	\$ 985,439	\$ (97,046)
Operating transfers out	(384,508)	(384,508)	0
Other sources	2,680	2,680	0
Other uses	(3,317)	(3,317)	0
	\$ 697,340	\$ 600,294	\$ (97,046)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (390,026)	\$ (499,185)	\$ (109,159)
FUND BALANCES AT BEGINNING OF YEAR	1,168,618	1,222,211	53,593
FUND BALANCES AT END OF YEAR	\$ 778,592	\$ 723,026	\$ (55,566)

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Vernon Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

The Vernon Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Vernon Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of fifteen members who are elected from eight districts for terms of four years.

The School Board operates eighteen schools within the parish with a total enrollment of 10,877 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the School Board are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. **General fund** — the primary operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special revenue funds** — account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **Debt service funds** — account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.
4. **Capital project fund** — accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

1. **School activity fund** — accounts for assets held by the School Board as an agent for the individual schools and school organizations.
2. **Scholarship fund** — accounts for voluntary employee contributions and is used to provide an annual scholarship for a graduate from the parish schools.
3. **Sales tax fund** — accounts for monies collected on behalf of other taxing authorities within the parish.
4. **Deferred compensation fund** — accounts for contributions and earnings by employees who participate in the plan.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Account Groups

The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Governmental Funds (Continued)

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees who elect to be paid over twelve months are accrued at June 30.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. BUDGETS

The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds.

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Encumbrances are not recognized within the accounting records for budgetary control purposes.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. See Note 20 for the budget/GAAP reconciliations.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were not considered significant by the Board.

The budget was amended after the close of the year. This is not prohibited by state law.

E. ENCUMBRANCES

Outstanding encumbrances lapse at year end. To the extent the Board intends to honor the purchase orders and commitments, they are disclosed in the notes to the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. INVESTMENTS (Continued)

Investments in certificates of deposits are stated at cost. Investments in the Louisiana Asset Management Pool (LAMP) and U. S. Treasury securities are stated at amortized cost. Investments in the deferred compensation agency fund are valued at market.

The investments are reflected at quoted market prices except for the following which are permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The School Board participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. INVESTMENTS (Continued)

The LAMP may invest in U. S. Government Securities. The LAMP is designed to comply with restriction on investment by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2955.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. To facilitate this goal, the LAMP's portfolio securities are valued by the amortized cost method as permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs money market mutual funds (although the LAMP is not a money market fund and has no obligation to conform to this rule). In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. INVENTORY

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used.

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. Unused commodities at June 30, are reported as deferred revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

J. FIXED ASSETS

Fixed assets used in governmental fund types of the School Board are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest during construction is not capitalized on general fixed assets.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. FIXED ASSETS (Continued)

Fixed assets valued at estimated historical cost where no historical records exist was \$20,963,225 at year-end

Public domain (infrastructure) general fixed assets (e.g. roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

K. DEFERRED REVENUES

The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

L. COMPENSATED ABSENCES

All 12-month employees earn from 10 days of vacation leave each year. Employees cannot accumulate more than 13 days of vacation leave. Employees are not compensated for unused vacation leave.

All School Board employees earn 10 days sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees per Louisiana Revised Statute 17:425 at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

The School Board's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. COMPENSATED ABSENCES (Continued)

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Sabbatical leave benefits are recorded as expenditures in the period paid.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

M. LONG-TERM OBLIGATIONS

The School Board reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

N. FUND EQUITY

Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose.

Designations of fund balance represent tentative management plans that are subject to change.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES TAXES

The Vernon Parish School Board has the following two sales tax ordinances:

The School Board collects a one cent parish-wide sales and use tax as authorized in a special election held January 12, 1991. In accordance with the proposition approved by the voters of the parish, the "net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System" and for benefits of the retirees of the Vernon Parish School System.

The School Board collects a one cent parish-wide sales and use tax authorized in a special election held March 31, 1973. In accordance with the proposition approved by the voters of the parish, the "net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System."

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

R. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the general-purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

Many functional categories reflected unfavorable budget variances of less than \$100. Because these amounts are immaterial, both individually and collectively, they have not been listed below. The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1997:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Funds			
Title I	\$1,563,748	\$1,569,655	\$ 5,907
School Food Service	3,629,851	3,636,267	6,416
8G Funds	325,154	325,405	251
Special Education	497,589	509,227	11,638

NOTE 3 - LEVIED TAXES

The School Board levies taxes on real and business personal property located within Vernon Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Vernon Parish tax assessor and approved by the state of Louisiana Tax Commission.

The Vernon Parish sheriff's office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Assessment Date	January 1, 1996
Millage rates adopted	September 5, 1996
Levy date	September 25, 1996
Tax bills mailed	On or about October 15, 1996
Due date	December 31, 1996
Lien date	January 1, 1997
Tax sale - 1996 delinquent property	On or about May 1, 1997

Assessed values are established by the Vernon Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$93,776,600 in calendar year 1996. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$30,568,150 of the assessed value in calendar year 1996.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 3 - LEVIED TAXES (Continued)

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund, maintenance funds (special revenue) and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year, therefore, the amount of 1997 property taxes to be collected occurs in December and January and February of the next year. As a result, no property taxes receivable for 1997 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	<u>Date of Voter Approval</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:				
Constitutional	Statutory	3.70	3.70	Statutory
Maintenance and operation	April 29, 1995	7.17	7.17	2005

District maintenance and operations taxes:

<u>Ward</u>		<u>Date of Voter Approval</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
1		April 29, 1995	13.03	13.03	2005
2	Hornbeck	April 29, 1995	13.32	13.32	2005
2	Orange	April 29, 1995	13.24	13.24	2005
3		May 1, 1993	13.00	13.00	1997
4	Pickering	March 26, 1994	13.98	13.98	2003
5		March 26, 1994	13.37	13.37	2003
6		March 26, 1994	12.59	12.59	2003
7		March 10, 1992	13.00	13.00	2000
8		March 26, 1994	13.48	13.48	2003

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 3 - LEVIED TAXES (Continued)

District sinking fund taxes:

<u>Ward</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
1	Variable	5.00	2003
2 Hornbeck	Variable	76.00	2013
2 Orange	Variable	55.00	2008
3	Variable	27.00	2022
4 Pickering	Variable	32.00	2015
5	Variable	52.00	2012
6	Variable	32.00	2024
7	Variable	42.00	2015
8	Variable	79.00	2008

NOTE 4 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the School Board has cash and cash equivalents (book balances) totaling \$1,869,060 as follows

Demand deposit	\$ 164,563
Interest-bearing demand deposits	<u>1,704,497</u>
Total	<u>\$1,869,060</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits including cash of \$1,869,060 and certificates of deposit of \$2,675,000 classified as investments was \$4,544,060 and the bank balance was \$7,522,740. Of the bank balance, \$499,352 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance, \$7,023,388 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 5 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the School Board's name.

At year end, the School Board investment balances were as follows:

<u>Type of investment</u>	<u>Category</u>			<u>Carrying Amount</u>			<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Cost</u>	
Certificate of deposit	\$2,675,000	\$ -	\$ -	\$ -	\$ -	\$2,675,000	\$2,675,000
U. S. Treasury security	<u>276,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,968</u>	<u>-</u>	<u>276,968</u>
Total	<u>\$2,951,968</u>	<u>\$ -</u>	<u>\$ -</u>				
Investments not subject to categorization:							
Deferred compensation plan				418,595	-	-	418,595
External investment pool				<u>2,902,718</u>	<u>-</u>	<u>-</u>	<u>2,902,718</u>
Total investments				<u>\$3,321,313</u>	<u>\$276,968</u>	<u>\$2,675,000</u>	<u>\$6,273,281</u>

NOTE 6 - RECEIVABLES

The receivables of \$1,648,521 at June 30, 1997, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
Taxes: Ad valorem	\$ 2,134	\$ 10,579	\$13,211	\$ 25,924
Sales tax	774,523	-	-	774,523
Intergovernmental - grants:				
Federal	17,793	373,185	-	390,978
State	178,107	262,098	-	440,205
Other	<u>16,891</u>	<u>-</u>	<u>-</u>	<u>16,891</u>
Total	<u>\$989,448</u>	<u>\$645,862</u>	<u>\$13,211</u>	<u>\$1,648,521</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 7 - FIXED ASSETS

The charges in general fixed assets are as follows:

	<u>Balance</u> <u>July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1997</u>
Land	\$ 250,944	\$ 11,930	\$ -	\$ 262,874
Buildings	44,254,903	459,338	-	44,714,241
Furniture and equipment	<u>8,145,297</u>	<u>577,138</u>	<u>-</u>	<u>8,722,435</u>
Total	<u>\$52,651,144</u>	<u>\$1,048,406</u>	<u>\$ -</u>	<u>\$53,699,550</u>

NOTE 8 - RETIREMENT SYSTEMS

Substantially all School Board employees participate in either the Teachers' Retirement System or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally 3% times the years of creditable service times the retirees' average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the Louisiana School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55, or after 10 years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 8 - RETIREMENT SYSTEMS (Continued)

Benefits of the systems are funded by employee and employer contributions. The contribution rates (as a percentage of covered salaries) are established by state law as follows:

	<u>Employee</u>	<u>Employer</u>
LA Teachers' Retirement System:		
Regular	8.00%	16.30%
Plan A	9.10%	16.30%
LA School Employees' Retirement	6.35%	6.00%

The School Board's employer contribution for the TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. For the year ended June 30, 1997, the payroll for the School Board totaled \$36,676,494. The employer contributions and total payroll of covered employees for 1997 follow:

 TRS			
	<u>Regular</u>	<u>Plan A</u>	<u>LSERS</u>	<u>Total</u>
Employee contribution	\$2,215,897	\$48,667	\$238,398	\$2,502,962
Employer contribution	4,515,069	87,169	225,245	4,827,483
Total covered payroll	27,699,777	534,796	3,754,273	31,988,846

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1996, the latest information available, the Systems' (TRS and LSERS) actuarially required contribution from all sources was \$401.0 million and \$12.9 million, respectively. The required School Board's contribution represents 17.79 and 6.12 percent, respectively, of salaries for the year ended June 30, 1996.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS and employers. The Systems (TRS and LSERS) do not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligations at June 30, 1996 for the Systems each as a whole, the Systems' net assets available for benefits on that date (valued at market) and the resulting unfunded (overfunded) pension benefit obligations were as follows:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 8 - RETIREMENT SYSTEMS (Continued)

	<u>TRS</u>	<u>LSERS</u>
Pension Benefit Obligation	\$11,232,762,000	\$ 970,569,414
Net Assets Available for Benefits	<u>7,056,608,000</u>	<u>1,089,962,911</u>
Unfunded (Overfunded) Pension Benefit Obligation	<u>\$ 4,176,154,000</u>	<u>\$(119,393,497)</u>

The School Board's total actuarially determined contribution requirements as a percentage of total contributions required of all entities for the year ended June 30, 1997 were as follows:

Teachers' Retirement System	1.25%
School Employees' Retirement System	1.78%

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the Systems' respective June 30, 1996 annual financial report, which is the latest available report.

Teachers' Retirement System of Louisiana	Louisiana School Employees' Retirement System
Post Office Box 94123	Post Office Box 44516
Baton Rouge, Louisiana 70804-9123	Baton Rouge, Louisiana 70804
(504) 925-6446	(504) 925-6484

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

In accordance with state statutes, the Vernon Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the Foundation Health Plan, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits included in these expenditures was \$198,079 for 200 retirees.

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$5,443,296 at June 30, 1997, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Salaries	\$4,001,805	\$532,354	\$4,534,159
Accounts	<u>703,103</u>	<u>206,034</u>	<u>909,137</u>
	<u>\$4,704,908</u>	<u>\$738,388</u>	<u>\$5,443,296</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 11 - COMPENSATED ABSENCES

At June 30, 1997, employees of the School Board have accumulated and vested \$982,805 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$982,805 is recorded within the general long-term debt account group since the amount is not expected to be paid from current available resources.

NOTE 12 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	<u>Balance at Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance At End Of Year</u>
Agency funds:				
School activity Fund	\$530,171	\$2,254,055	\$ 2,233,953	\$550,273
Scholarship Fund	3,623	3,891	2,040	5,474
Sales Tax Fund	-	12,104,854	12,104,854	-
Deferred Compensation Fund	<u>150,486</u>	<u>284,035</u>	<u>15,926</u>	<u>418,595</u>
	<u>\$684,280</u>	<u>\$14,646,835</u>	<u>\$14,356,773</u>	<u>\$974,342</u>

NOTE 13 - LEASES

The school board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

<u>Type:</u>	<u>Lease dates</u>		<u>Total</u>
	<u>Sept. 8, 1994</u>	<u>Sept. 20, 1995</u>	
School Buses	<u>\$64,200</u>	<u>\$72,023</u>	<u>\$136,223</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 13 - LEASES (Continued)

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1997:

	<u>School Bus</u>	<u>School Bus</u>	<u>Total</u>
Fiscal year:			
1998	\$14,442	\$16,147	\$30,589
1999	14,442	16,147	30,589
2000	<u>-</u>	<u>16,147</u>	<u>16,147</u>
Total minimum lease	28,884	48,441	77,325
Less amounts representing executory costs	<u>-</u>	<u>-</u>	<u>-</u>
Net minimum lease payments	28,884	48,441	77,325
Less amounts representing interest	<u>2,499</u>	<u>5,327</u>	<u>7,826</u>
 Present value of net minimum lease payments	 <u>\$26,385</u>	 <u>\$43,114</u>	 <u>\$69,499</u>

NOTE 14 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	<u>Bonds Payable</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance at beginning of year	\$12,725,795	\$95,390	\$776,125	\$13,597,310
Additions	-	-	206,680	206,680
Deductions	<u>679,313</u>	<u>25,891</u>	<u>-</u>	<u>705,204</u>
Balance at end of year	<u>\$12,046,482</u>	<u>\$69,499</u>	<u>\$982,805</u>	<u>\$13,098,786</u>

All School Board bonds outstanding at June 30, 1997, in the amount of \$12,046,482, are general obligation bonds with maturities from 1998 to 2024 and interest rates from 3.75 to 11.0 percent. Bond principal and interest payable in the next fiscal year are \$697,796 and \$702,350, respectively. The individual issues are as follows:

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 14 - GENERAL LONG-TERM OBLIGATIONS (Continued)

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
WARD I					
March 1, 1976	\$ 2,000,000	6.00	2001	\$ 3,000	\$ 20,000
March 1, 1977	220,000	5.00	2002	3,750	25,000
March 1, 1992	1,020,000	5.90 - 6.50	2003	158,040	675,000
WARD II - ORANGE					
June 1, 1988	1,815,000	7.60 - 7.80	1998	6,240	80,000
February 3, 1994	1,470,000	3.75 - 5.20	2008	447,443	1,355,000
WARD II - HORNBECK					
June 1, 1988	855,000	7.60 - 7.80	1998	3,900	50,000
April 6, 1989	483,450	11.00	2013	568,879	468,660
February 3, 1994	550,000	3.75 - 4.90	2005	115,588	500,000
WARD III					
April 30, 1982	1,438,000	5.00	2022	943,250	1,210,000
WARD IV					
March 1, 1976	490,000	6.00	2001	600	4,000
October 10, 1984	1,605,000	7.25	2014	1,116,138	1,360,000
June 1, 1988	1,355,000	7.60 - 7.80	1998	5,460	70,000
February 3, 1994	995,000	3.75 - 5.00	2006	242,480	915,000
WARD V					
June 1, 1988	950,000	7.60 - 7.80	1998	4,680	60,000
April 6, 1989	662,180	11.00	2012	656,055	589,680
February 3, 1994	585,000	3.75 - 4.75	2004	110,380	535,000
WARD VI					
November 16, 1993	1,500,000	5.126	2024	1,291,299	1,364,142
WARD VII					
June 1, 1988	715,000	7.60 - 7.80	1998	3,510	45,000
February 3, 1994	1,805,000	3.75 - 5.60	2015	805,792	1,610,000
WARD VIII					
June 1, 1988	1,365,000	7.60 - 7.80	1998	4,290	55,000
February 3, 1994	1,150,000	3.75 - 5.20	2008	<u>349,600</u>	<u>1,055,000</u>
Total				<u>\$6,840,374</u>	<u>\$12,046,482</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 15 - INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Fund</u>	<u>Receivable Amount</u>	<u>Payable Amount</u>
General	\$317,980	\$ 44,091
Special Revenue:		
Title I	-	160,705
Math and Science - Title II	610	1,456
Sales Tax	9,270	30,000
Head Start	-	2,465
Preschool	-	10,691
Other Special Funds	-	15,670
Job Training Partnership Act (JTPA)	-	290
8G State Funds	-	10,075
Drug-Free Schools	-	11,832
Adult Education	29,519	42,190
Vocational Education	10,105	16,156
Special Education	-	21,863
Ward 1	11,299	-
Debt Service Funds:		
Ward 1	-	11,299
	<u>\$378,783</u>	<u>\$378,783</u>

NOTE 16 - RESERVED AND DESIGNATED FUND BALANCES

The School Board entered into a security agreement with the state of Louisiana Office of Workers' Compensation (OWC) Department of Employment and Training that grants to OWC a security interest in the School Board's \$276,969 U. S. Government Security. The security interest is to secure the prompt payment of all present and future obligations, including, but not limited to, prompt payment of workers' compensation payments, the furnishing of medical treatment, and or any other requirement under the provisions of the Louisiana Workers' Compensation Act and Rules of the OWC Fiscal Responsibility Unit. The following is a summary of transactions relating to the reserved and designated fund balances for the year ended June 30, 1997:

	<u>Reservation for Workers' Compensation Security Deposit</u>
Balance at July 1, 1996	\$277,238
Additions	-
Deletions	<u>269</u>
Balance at June 30, 1997	<u>\$276,969</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 17 - INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 1997 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$288,321	\$430,151
Special Revenue:		
Title I	69	-
School Food Service	140,000	
Sales Tax	49,847	169,847
Head Start	17,062	2,673
Ward 2 - Orange	29,225	-
Ward 2 - Hornbeck	13,321	-
Ward 7	55,084	-
Ward 8	<u>9,742</u>	<u>-</u>
Totals	<u>\$602,671</u>	<u>\$602,671</u>

NOTE 18 - ENCUMBRANCES

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are reappropriated in the next year. At June 30, 1997 the School Board had entered into purchase orders and commitments as follows:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Total encumbrances	<u>\$193,368</u>	<u>\$238,407</u>	<u>\$431,775</u>

NOTE 19 - RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. A risk management program for workers' compensation insurance was established by the School Board several years ago. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. As of June 30, 1997, such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

An insurance policy covers individual claims in excess of \$150,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. The liability for claims and judgments is reported in the general fund because it is expected to be liquidated with expendable available financial resources. The liability at June 30, 1997 was \$5,977.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 19 - RISK MANAGEMENT (Continued)

Changes in the claims amount in previous fiscal years were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Ending of Fiscal Year Liability</u>
1995-1996	\$6,101	\$236,303	\$236,682	\$5,722
1996-1997	5,722	197,210	196,955	5,977

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 20 - BUDGET/GAAP RECONCILIATION

The following schedule reconciles the amounts on the combined statement of revenues, expenditures and changes in fund balance — budget-to-actual to the amounts on the combined statement of revenues, expenditures and changes in fund balances:

	<u>General Fund</u>	<u>Special Revenue</u>
Fund balances (budget)	\$1,255,795	\$ 723,026
Local sources:		
Taxes:		
Ad Valorem	72,203	-
Other	2,006	-
State sources:		
Equalization	(459,101)	459,101
Federal sources		(2,651)
Expenditures:		
Regular instruction	14,106	167,509
Special instruction	-	122,258
Other instructional programs	900	122,764
Instructional staff support	-	(3,163)
General administration	9,638	1,595
School administration	1,750	19,144
Plant services	1,886	27,556
Student transportation services	-	30,589
Food services	-	14,141
Facilities acquisition and construction	(101,505)	(472,470)
Principal retirement	-	(25,891)
Interest and bank charges	-	(4,698)
Other financing sources (uses):		
Operating transfers in	(2,400,054)	(671,089)
Operating transfers out	2,857,116	211,988
Other sources	44	-
Other uses	1,011	3,317
Fund balances (GAAP)	<u>\$1,255,795</u>	<u>\$ 723,026</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 19 - BUDGET/GAAP RECONCILIATION (Continued)

All budget/GAAP reporting differences are a result of classification.

NOTE 21 - LITIGATION AND CLAIMS

Litigation

At June 30, 1997, the School Board is involved in various litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Self-Insurance

The School Board is partially self-insured for workers' compensation. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$150,000 per occurrence for each employee.

Grant Disallowances

The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Tax Arbitrage Rebate

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

NOTE 22 - DEFEASANCE OF DEBT

The School Board defeased in prior years certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. On June 30, 1997, \$5,080,000 of bonds outstanding are considered defeased.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 23 - DEFERRED COMPENSATION

Under the guidelines established in accordance with the Internal Revenue Code Section 457, the School Board has two deferred compensation plans which are administered by First Financial Administrators on behalf of all participating employees. The plans, mandatory for part-time, seasonal and temporary employees and voluntary for all other employees, permits them to defer a portion of their salary until future years. The deferred pay and any income earned on it is not subject to income taxes until actually received by the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The assets in the plans remain the property of the School Board until paid or made available to participants, subject only to the claims of the School Board's creditors. The participants have no vested interest or secured or preferred position with respect to the assets or have any claim against the School Board, except as a general creditor, in an amount equal to the fair market value of the participant's account.

The School Board is not liable for losses arising from depreciation or shrinkage in the value of any investments acquired under the deferred compensation plans. However, the School Board believes it has the duty of due care that would be required of an ordinary prudent investor. The School Board also believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Transactions related to the deferred compensation plan are recorded as an agency fund. The assets of the deferred compensation plan are stated at market value.

A summary of changes in deferred compensation payable for the year ended June 30, 1997 is as follows:

	<u>Balance</u> <u>July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1997</u>
Deferred compensation payable	<u>\$150,486</u>	<u>\$284,035</u>	<u>\$15,926</u>	<u>\$418,595</u>

NOTE 24 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$52,587. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 25 - PRIOR-PERIOD ADJUSTMENT

Statement No. 22 of the Governmental Accounting Standards Board, Accounting for Taxpayer - Assessed Tax Revenues in Governmental Funds, became effective for the year ending June 30, 1996. According to Statement No. 22, June sales taxes remitted to the School Board in July should be accrued. In years prior to June 30, 1997, the School Board has not accrued sales tax revenue for June sales received in July. A prior period adjustment was made to record \$503,573 of June 1996 sales tax received by the School Board in July 1996.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

COMBINING AND INDIVIDUAL FUND ACCOUNT GROUP
STATEMENTS AND SCHEDULES

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS

TITLE I

To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

TITLE VI

To assist state and local educational agencies to improve elementary and secondary education.

Funds may be used for: innovative assistance in the acquisition and use of instructional materials; technology related to the implementation of school bus reforms; promising education reform projects; promoting higher order thinking skills of disadvantaged students; and reform activities associated with Goals 2000.

MATH AND SCIENCE - TITLE II

To ensure that teachers, staff and administrators have access to sustained and intensive high-quality professional development. To challenge state content standards in core academic subjects.

SCHOOL FOOD SERVICE

To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

SALES TAX

Vernon Parish School Board is the centralized sales tax collection agency for all taxing authorities in Vernon Parish. As a result, Vernon Parish School Board receives a fee of 1.5 percent of collections for performing the duties of collection agency. Expenditures are the cost of operating the sales tax department.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS (Continued)

HEAD START

To provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and to involve parents in activities with their children so that the children will attain overall social competence.

PRESCHOOL

To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

OTHER SPECIAL FUNDS

This fund represents various small federally funded programs for advancement of education in Vernon Parish.

JOB TRAINING PARTNERSHIP ACT (JTPA)

To provide job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. The ultimate goal of the Act is to move trainees into permanent, self-sustaining employment.

8G STATE FUNDS

The 8G State Fund is a program to provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

DRUG FREE SCHOOLS

To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS (Continued)

ADULT EDUCATION

To improve educational opportunities for adults and to encourage the establishment of adult education programs *that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.*

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

VOCATIONAL EDUCATION

VOCATIONAL EDUCATION - BASIC GRANTS TO STATES

To make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

VOCATIONAL EDUCATION - TECH-PREP EDUCATION

To distribute funds to states to enable them to provide planning and demonstration grants to consortia of local *educational agencies and postsecondary educational agencies, for the development and operation of four-year programs designed to provide a tech-prep education program leading to a two-year associate degree or a two-year certificate and to provide, in a systematic manner, strong, comprehensive links between secondary schools and postsecondary educational institutions.*

SPECIAL EDUCATION

To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

FOOD PROCESSING CENTERS

The food processing centers receive revenues from sales and services for the purpose of operating the food processing centers.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS (Concluded)

MAINTENANCE FUNDS

Ward 1
Ward 2 - Orange
Ward 2 - Hornbeck
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7
Ward 8

The maintenance funds for the various school districts are used to account for the proceeds of ad valorem taxes levied for the purpose of maintaining and improving schools within each school district.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1997

	TITLE I	TITLE VI	MATH AND SCIENCE - TITLE II
ASSETS			
Cash and cash equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables	330,536	0	846
Interfund receivables	0	0	610
Inventory	0	0	0
	<u>\$ 330,536</u>	<u>\$ 0</u>	<u>\$ 1,456</u>
TOTAL ASSETS			
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts, salaries and other payables	\$ 169,831	\$ 0	\$ 0
Interfund payables	160,705	0	1,456
Deferred revenue	0	0	0
	<u>\$ 330,536</u>	<u>\$ 0</u>	<u>\$ 1,456</u>
Total Liabilities			
Fund Equity			
Fund balances:			
Unreserved - undesignated	\$ 0	\$ 0	\$ 0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Equity			
	<u>\$ 330,536</u>	<u>\$ 0</u>	<u>\$ 1,456</u>
TOTAL LIABILITIES AND FUND EQUITY			

Exhibit 1

SCHOOL FOOD SERVICE	SALES TAX	HEAD START	PRESCHOOL
\$ 270,623	\$ 32,462	\$ 0	\$ 0
11,831	0	0	0
816	10,208	114,954	15,204
0	9,270	0	0
47,222	0	0	0
<u>\$ 330,492</u>	<u>\$ 51,940</u>	<u>\$ 114,954</u>	<u>\$ 15,204</u>

\$ 297,739	\$ 1,239	\$ 112,489	\$ 4,513
0	30,000	2,465	10,691
9,340	0	0	0

<u>\$ 307,079</u>	<u>\$ 31,239</u>	<u>\$ 114,954</u>	<u>\$ 15,204</u>
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\$ 23,413	\$ 20,701	\$ 0	\$ 0
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\$ 23,413	\$ 20,701	\$ 0	\$ 0
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<u>\$ 330,492</u>	<u>\$ 51,940</u>	<u>\$ 114,954</u>	<u>\$ 15,204</u>
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(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1997

	OTHER SPECIAL FUNDS	JOB TRAINING PARTNERSHIP ACT (JTPA)	8G STATE FUNDS	DRUG FREE SCHOOLS
ASSETS				
Cash and cash equivalents	\$ 170	\$ 0	\$ 0	\$ 0
Investments	0	0	0	0
Receivables	44,355	1,195	10,773	11,930
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
TOTAL ASSETS	\$ 44,525	\$ 1,195	\$ 10,773	\$ 11,930
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 25,557	\$ 905	\$ 600	\$ 98
Interfund payables	15,670	290	10,075	11,832
Deferred revenue	0	0	98	0
Total Liabilities	\$ 41,227	\$ 1,195	\$ 10,773	\$ 11,930
 Fund Equity				
Fund balances:				
Unreserved - undesignated	\$ 3,298	\$ 0	\$ 0	\$ 0
Total Equity	\$ 3,298	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES AND FUND EQUITY	\$ 44,525	\$ 1,195	\$ 10,773	\$ 11,930

Exhibit 1

ADULT EDUCATION	VOCATIONAL EDUCATION	SPECIAL EDUCATION	FOOD PROCESSING CENTERS
\$ 0	\$ 0	\$ 0	7,008
0	0	0	0
21,002	16,708	57,516	1,857
29,519	10,105	0	0
0	0	0	0
<u>\$ 50,521</u>	<u>\$ 26,813</u>	<u>\$ 57,516</u>	<u>\$ 8,865</u>

\$ 8,331	\$ 6,765	\$ 35,653	69
42,190	16,156	21,863	0
0	3,892	0	0
<u>\$ 50,521</u>	<u>\$ 26,813</u>	<u>\$ 57,516</u>	<u>69</u>

\$ 0	\$ 0	\$ 0	8,796
0	0	0	8,796
<u>\$ 50,521</u>	<u>\$ 26,813</u>	<u>\$ 57,516</u>	<u>8,865</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1997

	WARD 1	WARD 2 - ORANGE	WARD 2 - HORNBECK	WARD 3
ASSETS				
Cash and cash equivalents	\$ 2,279	\$ 2,229	\$ 1,529	\$ 1,792
Investments	185,167	69,791	39,549	71,367
Receivables	3,390	644	438	574
Interfund receivables	11,299	0	0	0
Inventory	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 202,135</u>	<u>\$ 72,664</u>	<u>\$ 41,516</u>	<u>\$ 73,733</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 35,494	\$ 101	\$ 8,280	\$ 13,367
Interfund payables	0	0	0	0
Deferred revenues	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 35,494</u>	<u>\$ 101</u>	<u>\$ 8,280</u>	<u>\$ 13,367</u>
Fund Equity				
Fund Balances:				
Unreserved - undesignated	\$ 166,641	\$ 72,563	\$ 33,236	\$ 60,366
	<u>166,641</u>	<u>72,563</u>	<u>33,236</u>	<u>60,366</u>
Total Equity	<u>\$ 166,641</u>	<u>\$ 72,563</u>	<u>\$ 33,236</u>	<u>\$ 60,366</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 202,135</u>	<u>\$ 72,664</u>	<u>\$ 41,516</u>	<u>\$ 73,733</u>

Exhibit 1

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$	1,719 \$	1,570 \$	2,050 \$	2,121 \$	1,855 \$	327,407
	115,734	35,338	102,112	66,815	19,139	716,843
	848	423	719	565	361	645,862
	0	0	0	0	0	60,803
	0	0	0	0	0	47,222
\$	<u>118,301 \$</u>	<u>37,331 \$</u>	<u>104,881 \$</u>	<u>69,501 \$</u>	<u>21,355 \$</u>	<u>1,798,137</u>
\$	6,495 \$	1,352 \$	101 \$	6,666 \$	2,743 \$	738,388
	0	0	0	0	0	323,393
	0	0	0	0	0	13,330
\$	<u>6,495 \$</u>	<u>1,352 \$</u>	<u>101 \$</u>	<u>6,666 \$</u>	<u>2,743 \$</u>	<u>1,075,111</u>
\$	<u>111,806 \$</u>	<u>35,979 \$</u>	<u>104,780 \$</u>	<u>62,835 \$</u>	<u>18,612 \$</u>	<u>723,026</u>
\$	<u>111,806 \$</u>	<u>35,979 \$</u>	<u>104,780 \$</u>	<u>62,835 \$</u>	<u>18,612 \$</u>	<u>723,026</u>
\$	<u>118,301 \$</u>	<u>37,331 \$</u>	<u>104,881 \$</u>	<u>69,501 \$</u>	<u>21,355 \$</u>	<u>1,798,137</u>

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

	TITLE I	TITLE VI	MATH AND SCIENCE - TITLE II
REVENUES			
Local sources:			
Ad valorem taxes	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0
Food services	0	0	0
Other	0	0	0
State sources:			
Equalization	0	0	0
Other	0	0	0
Federal sources	1,570,150	48,811	34,547
 Total Revenues	\$ 1,570,150	\$ 48,811	\$ 34,547
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 5,863	\$ 9,051	\$ 5,324
Special programs	30,459	0	28,659
Other instructional programs	1,180,488	0	0
Support services:			
Student services	0	0	0
Instructional staff support	193,242	0	0
General administration	44,048	760	564
School administration	0	0	0
Business services	0	0	0
Plant services	36,647	0	0
Student transportation services	0	0	0
Central services	0	0	0
Food services	241	0	0
Facilities acquisition and construction	79,231	39,000	0
Debt service:			
Principal retirement	0	0	0
Interest and bank charges	0	0	0
 Total Expenditures	\$ 1,570,219	\$ 48,811	\$ 34,547
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (69)	\$ 0	\$ 0

Exhibit 2

SCHOOL FOOD SERVICE	SALES TAX	HEAD START	PRESCHOOL
\$ 0	\$ 0	\$ 0	\$ 0
10,404	0	0	0
713,616	0	0	0
0	185,868	0	0
459,101	0	0	0
0	0	0	0
1,973,093	0	1,017,659	144,436
<u>\$ 3,156,214</u>	<u>\$ 185,868</u>	<u>\$ 1,017,659</u>	<u>\$ 144,436</u>

\$ 0	\$ 0	\$ 0	\$ 259
0	0	848,705	106,533
0	0	2	0
0	0	0	0
0	0	120,955	19,565
0	59,627	24,557	2,172
0	0	0	0
23,700	5,465	0	200
26,307	2,610	3,298	0
0	0	6,919	935
0	8,640	0	0
3,572,119	0	0	0
14,233	1,595	27,612	14,772
0	0	0	0
0	0	0	0
<u>\$ 3,636,359</u>	<u>\$ 77,937</u>	<u>\$ 1,032,048</u>	<u>\$ 144,436</u>
<u>\$ (480,145)</u>	<u>\$ 107,931</u>	<u>\$ (14,389)</u>	<u>\$ 0</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

	TITLE I	TITLE VI	MATH AND SCIENCE - TITLE II
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 69	\$ 0	\$ 0
Operating transfers out	0	0	0
Other sources - sale of assets	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ 69	\$ 0	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0

Exhibit 2

SCHOOL FOOD SERVICE	SALES TAX	HEAD START	PRESCHOOL
\$ 140,000	\$ 49,847	\$ 17,062	\$ 0
0	(169,847)	(2,673)	0
0	0	0	0
\$ 140,000	\$ (120,000)	\$ 14,389	\$ 0
\$ (340,145)	\$ (12,069)	\$ 0	\$ 0
353,558	32,770	0	0
\$ 23,413	\$ 20,701	\$ 0	\$ 0

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 1997

	OTHER SPECIAL FUNDS	JOB TRAINING PARTNERSHIP ACT (JTPA)	8G STATE FUNDS	DRUG FREE SCHOOLS
REVENUES				
Local sources:				
Ad valorem taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	137,631	0	325,405	0
Federal sources	24,433	26,222	0	57,508
	\$ 162,064	\$ 26,222	\$ 325,405	\$ 57,508
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 82,310	\$ 17,235	\$ 216,618	\$ 0
Special programs	29,499	0	59,008	6,916
Other instructional programs	2,195	8,987	28,459	0
Support services:				
Student services	119	0	35	49,484
Instructional staff support	60	0	235	0
General administration	0	0	176	1,017
School administration	0	0	289	0
Business services	0	0	0	0
Plant services	0	0	1,795	91
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	0	0	0	0
Facilities acquisition and construction	54,555	0	18,790	0
Debt service:				
Principal retirement	0	0	0	0
Interest and bank charges	0	0	0	0
	\$ 168,738	\$ 26,222	\$ 325,405	\$ 57,508
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	\$ (6,674)	\$ 0	\$ 0	\$ 0

Exhibit 2

	ADULT EDUCATION	VOCATIONAL EDUCATION	SPECIAL EDUCATION	FOOD PROCESSING CENTERS
\$	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	18,749
	0	0	0	0
	91,002	0	79,726	0
	98,453	193,626	429,501	0
\$	189,455	193,626	509,227	18,749

\$	0	6,780	0	0
	0	0	192,516	0
	116,276	80,009	869	0
	0	9,211	38,665	0
	68,098	47,730	174,136	0
	1,610	10,153	7,826	13,446
	0	2,386	0	0
	0	0	726	0
	3,471	3,265	9,731	0
	0	114	449	0
	0	0	0	0
	0	0	0	0
	0	33,978	84,309	0
	0	0	0	0
	0	0	0	0
\$	189,455	193,626	509,227	13,446

\$	0	0	0	5,303
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(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 1997

	OTHER SPECIAL FUNDS	JOB TRAINING PARTNERSHIP ACT (JTPA)	8G STATE FUNDS	DRUG FREE SCHOOLS
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Operating transfers out	0	0	0	0
Other sources - sale of assets	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (6,674)	\$ 0	\$ 0	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	9,972	0	0	0
FUND BALANCES AT END OF YEAR	\$ 3,298	\$ 0	\$ 0	\$ 0

Exhibit 2

FOOD
PROCESSING
CENTERS

ADULT EDUCATION	VOCATIONAL EDUCATION	SPECIAL EDUCATION	FOOD PROCESSING CENTERS	
\$ 0	\$ 0	\$ 0	\$ 0	0
0	0	0	0	0
0	0	0	0	0
\$ 0	\$ 0	\$ 0	\$ 0	0
\$ 0	\$ 0	\$ 0	\$ 0	5,303
0	0	0	0	3,493
\$ 0	\$ 0	\$ 0	\$ 0	8,796

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

	WARD I	WARD 2 - ORANGE	WARD 2 - HORNBECK	WARD 3
REVENUES				
Local sources:				
Ad valorem taxes	\$ 398,674	\$ 43,373	\$ 28,161	\$ 60,279
Interest earnings	7,632	1,703	966	4,256
Food services	0	0	0	0
Other	1,081	0	0	0
State sources:				
Equalization	0	0	0	0
Other	69,399	24,110	11,387	9,934
Federal sources				
	0	0	0	0
Total Revenues	\$ 476,786	\$ 69,186	\$ 40,514	\$ 74,469
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 4,007	\$ 1,809	\$ 841	\$ 0
Special programs	0	0	0	0
Other instructional programs	43,163	9,993	3,467	2,361
Support services:				
Student services	260	218	71	81
Instructional staff support	0	0	0	0
General administration	12,899	1,409	871	2,328
School administration	22,933	0	366	3,497
Business services	0	0	0	0
Plant services	155,391	17,729	17,188	20,456
Student transportation services	15,195	2,358	3,643	2,840
Central services	0	0	0	0
Food services	0	0	0	0
Facilities acquisition and construction	222,671	5,880	9,278	14,620
Debt service:				
Principal retirement	12,762	13,129	0	0
Interest and bank charges	3,385	1,313	0	0
Total Expenditures	\$ 492,666	\$ 53,838	\$ 35,725	\$ 46,183
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (15,880)	\$ 15,348	\$ 4,789	\$ 28,286

Exhibit 2

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 125,273	\$ 55,117	\$ 32,796	\$ 60,331	\$ 27,555	831,559
6,374	3,254	7,626	9,243	551	52,009
0	0	0	0	0	713,616
0	0	9,250	0	0	214,948
0	0	0	0	0	459,101
13,127	10,282	6,904	25,171	8,062	812,140
0	0	0	0	0	5,618,439
<u>\$ 144,774</u>	<u>\$ 68,653</u>	<u>\$ 56,576</u>	<u>\$ 94,745</u>	<u>\$ 36,168</u>	<u>8,701,812</u>
\$ 2,502	\$ 4,416	\$ 5,538	\$ 2,952	0	365,505
0	0	0	0	0	1,302,295
291	9,919	9,162	9,502	1,997	1,507,140
90	600	548	70	0	99,452
0	0	0	0	0	624,021
4,070	1,780	1,053	2,292	882	193,540
580	2,861	1,513	4,284	0	38,709
25	7	0	0	0	30,123
77,780	27,933	71,361	51,193	24,448	550,694
6,117	511	2,340	66,391	541	108,353
0	0	0	0	0	8,640
0	0	0	0	0	3,572,360
102,016	28,738	139,421	21,297	2,090	914,086
0	0	0	0	0	25,891
0	0	0	0	0	4,698
<u>\$ 193,471</u>	<u>\$ 76,765</u>	<u>\$ 230,936</u>	<u>\$ 157,981</u>	<u>\$ 29,958</u>	<u>9,345,507</u>
<u>\$ (48,697)</u>	<u>\$ (8,112)</u>	<u>\$ (174,360)</u>	<u>\$ (63,236)</u>	<u>\$ 6,210</u>	<u>(643,695)</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 29,225	\$ 13,321	\$ 0
Operating transfers out	0	0	0	0
Other sources - sale of assets	100	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 100</u>	<u>\$ 29,225</u>	<u>\$ 13,321</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (15,780)	\$ 44,573	\$ 18,110	\$ 28,286
FUND BALANCES AT BEGINNING OF YEAR	<u>182,421</u>	<u>27,990</u>	<u>15,126</u>	<u>32,080</u>
FUND BALANCES AT END OF YEAR	<u>\$ 166,641</u>	<u>\$ 72,563</u>	<u>\$ 33,236</u>	<u>\$ 60,366</u>

Exhibit 2

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 0	\$ 0	\$ 0	\$ 55,084	\$ 9,742	\$ 314,350
0	0	0	0	0	(172,520)
0	80	2,500	0	0	2,680
\$ 0	\$ 80	\$ 2,500	\$ 55,084	\$ 9,742	\$ 144,510
\$ (48,697)	\$ (8,032)	\$ (171,860)	\$ (8,152)	\$ 15,952	\$ (499,185)
160,503	44,011	276,640	70,987	2,660	1,222,211
\$ 111,806	\$ 35,979	\$ 104,780	\$ 62,835	\$ 18,612	\$ 723,026

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-1

	*****TITLE I*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 1,563,748	\$ 1,570,150	\$ 6,402
 Total Revenues	\$ 1,563,748	\$ 1,570,150	\$ 6,402
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 0	\$ 5,863	\$ (5,863)
Special programs	29,895	29,895	0
Other instructional programs	1,259,689	1,259,719	(30)
Support services:			
Instructional staff support	190,079	190,079	0
General administration	44,048	44,048	0
Plant services	36,633	36,647	(14)
Food services	241	241	0
Facilities acquisition and construction	3,163	3,163	0
 Total Expenditures	\$ 1,563,748	\$ 1,569,655	\$ (5,907)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 495	\$ 495
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 69	\$ 69	0
Other uses	(564)	(564)	0
 TOTAL OTHER FINANCING SOURCES (USES)	\$ (495)	\$ (495)	\$ 0
 EXCESS (Deficiency) OF REVENUES OVER AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (495)	\$ 0	\$ 495
 FUND BALANCE AT BEGINNING OF YEAR	0	0	0
 FUND BALANCE AT END OF YEAR	\$ (495)	\$ 0	\$ 495

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-2

	*****TITLE VI*****			VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL		
REVENUES				
Federal sources	\$ 48,811	\$ 48,811	\$	0
Total Revenues	\$ 48,811	\$ 48,811	\$	0
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 48,051	\$ 48,051	\$	0
General administration	760	760	\$	0
Total Expenditures	\$ 48,811	\$ 48,811	\$	0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	\$	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$	0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-3

	*****MATH AND SCIENCE TITLE II*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 34,547	\$ 34,547	\$ 0
Total Revenues	\$ 34,547	\$ 34,547	\$ 0
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 5,324	\$ 5,324	\$ 0
Special programs	28,659	28,659	0
Support services:			
General administration	564	564	0
Total Expenditures	\$ 34,547	\$ 34,547	\$ 0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-4

*****SCHOOL FOOD SERVICE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 10,404	\$ 10,404	\$ 0
Food services	713,601	713,616	15
Federal sources	<u>1,982,424</u>	<u>1,973,093</u>	<u>(9,331)</u>
 Total Revenues	 <u>\$ 2,706,429</u>	 <u>\$ 2,697,113</u>	 <u>\$ (9,316)</u>
 EXPENDITURES			
Current:			
Support services:			
Business services	\$ 23,700	\$ 23,700	\$ 0
Plant services	26,307	26,307	0
Food services	<u>3,579,844</u>	<u>3,586,260</u>	<u>(6,416)</u>
 Total Expenditures	 <u>\$ 3,629,851</u>	 <u>\$ 3,636,267</u>	 <u>\$ (6,416)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (923,422)</u>	 <u>\$ (939,154)</u>	 <u>\$ (15,732)</u>
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 900,536	\$ 789,101	\$ (111,435)
Operating transfers out	(190,000)	(190,000)	0
Other uses	<u>(92)</u>	<u>(92)</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>\$ 710,444</u>	 <u>\$ 599,009</u>	 <u>\$ (111,435)</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 <u>\$ (212,978)</u>	 <u>\$ (340,145)</u>	 <u>\$ (127,167)</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>310,036</u>	 <u>363,558</u>	 <u>53,522</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 97,058</u>	 <u>\$ 23,413</u>	 <u>\$ (73,645)</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-5

*****SALES TAX*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Other	\$ 185,868	\$ 185,868	\$ 0
Total Revenues	\$ 185,868	\$ 185,868	\$ 0
EXPENDITURES			
Current:			
Support services:			
General administration	\$ 61,222	\$ 61,222	\$ 0
Business services	5,465	5,465	0
Plant services	2,610	2,610	0
Central services	8,640	8,640	0
Total Expenditures	\$ 77,937	\$ 77,937	\$ 0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 107,931	\$ 107,931	\$ 0
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 49,847	\$ 49,847	\$ 0
Operating transfers out	(169,847)	(169,847)	0
Total Other Financing Sources (Uses)	\$ (120,000)	\$ (120,000)	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (12,069)	\$ (12,069)	\$ 0
FUND BALANCE AT BEGINNING OF YEAR	32,770	32,770	0
FUND BALANCE AT END OF YEAR	\$ 20,701	\$ 20,701	\$ 0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-6

*****HEAD START*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 1,032,035	\$ 1,017,659	\$ (14,376)
 Total Revenues	\$ 1,032,035	\$ 1,017,659	\$ (14,376)
 EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 876,331	\$ 876,337	\$ (6)
Other instructional programs	2	2	0
Support services:			
Instructional staff support	120,952	120,955	(3)
General administration	24,557	24,557	0
Plant services	3,274	3,278	(4)
Student transportation services	6,919	6,919	0
 Total Expenditures	\$ 1,032,035	\$ 1,032,048	\$ (13)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ (14,389)	\$ (14,389)
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 2,673	\$ 17,062	\$ 14,389
Operating transfers out	(2,673)	(2,673)	0
 TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 14,389	\$ 14,389
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0
 FUND BALANCE AT BEGINNING OF YEAR	0	0	0
 FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-7

*****PRESCHOOL*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 145,375	\$ 144,436	\$ (939)
Total Revenues	\$ 145,375	\$ 144,436	\$ (939)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 259	\$ 259	0
Special programs	122,247	121,305	942
Support services:			
Instructional staff support	19,562	19,565	(3)
General administration	2,172	2,172	0
Business services	200	200	0
Student transportation services	935	935	0
Total Expenditures	\$ 145,375	\$ 144,436	\$ 939
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-8

*****OTHER SPECIAL FUNDS*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 137,631	\$ 137,631	\$ 0
Federal sources	27,084	27,084	0
	<u>\$ 164,715</u>	<u>\$ 164,715</u>	<u>\$ 0</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 136,865	\$ 136,865	\$ 0
Special programs	29,499	29,499	0
Other instructional programs	2,137	2,195	(58)
Support services:			
Student services	119	119	0
Instructional staff support	60	60	0
	<u>\$ 168,680</u>	<u>\$ 168,738</u>	<u>\$ (58)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (3,965)</u>	<u>\$ (4,023)</u>	<u>\$ (58)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 13,738	\$ 13,738	\$ 0
Operating transfers out	(13,738)	(13,738)	0
Other uses	(2,651)	(2,651)	0
	<u>\$ (2,651)</u>	<u>\$ (2,651)</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (6,616)</u>	<u>\$ (6,674)</u>	<u>\$ (58)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>9,914</u>	<u>9,972</u>	<u>58</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,298</u>	<u>\$ 3,298</u>	<u>\$ 0</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-9

*****JOB TRAINING PARTNERSHIP ACT (JTPA)*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 27,562	\$ 26,222	\$ (1,340)
Total Revenues	\$ 27,562	\$ 26,222	\$ (1,340)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 17,665	\$ 17,235	\$ 430
Other instructional programs	9,897	8,987	910
Total Expenditures	\$ 27,562	\$ 26,222	\$ 1,340
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-10

*****8G FUNDS*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State sources:			
Other	\$ 325,154	\$ 325,405	\$ 251
Total Revenues	\$ 325,154	\$ 325,405	\$ 251
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 235,157	\$ 235,408	\$ (251)
Special programs	59,008	59,008	0
Other instructional programs	28,459	28,459	0
Support services:			
Student services	35	35	0
Instructional staff support	235	235	0
General administration	176	176	0
School administration	289	289	0
Plant services	1,795	1,795	0
Total Expenditures	\$ 325,154	\$ 325,405	\$ (251)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-11

*****DRUG FREE SCHOOLS*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 57,497	\$ 57,508	\$ 11
Total Revenues	\$ 57,497	\$ 57,508	\$ 11
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 6,916	\$ 6,916	0
Support services:			
Student services	49,473	49,484	(11)
General administration	1,017	1,017	0
Plant services	91	91	0
Total Expenditures	\$ 57,497	\$ 57,508	(11)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-12

*****ADULT EDUCATION*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State sources: Other	\$ 90,996	\$ 91,002	\$ 6
Federal sources	98,453	98,453	0
	<u>\$ 189,449</u>	<u>\$ 189,455</u>	<u>\$ 6</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	\$ 116,272	\$ 116,276	(4)
Support services:			
Instructional staff support	68,096	68,098	(2)
General administration	1,610	1,610	0
Plant services	3,471	3,471	0
	<u>\$ 189,449</u>	<u>\$ 189,455</u>	<u>(6)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-13

*****VOCATIONAL EDUCATION*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 193,625	\$ 193,626	\$ 1
 Total Revenues	\$ 193,625	\$ 193,626	\$ 1
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 6,780	\$ 6,780	\$ 0
Special programs	(3,891)	(3,891)	0
Other instructional programs	117,877	117,878	(1)
Support services:			
Student services	9,211	9,211	0
Instructional staff support	47,730	47,730	0
General administration	10,153	10,153	0
School administration	2,386	2,386	0
Plant services	3,265	3,265	0
Student transportation services	114	114	0
 Total Expenditures	\$ 193,625	\$ 193,626	\$ (1)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0
 FUND BALANCE AT BEGINNING OF YEAR	0	0	0
 FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-14

*****SPECIAL EDUCATION*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State sources			
Other	\$ 50,621	\$ 79,726	\$ 29,105
Federal sources	446,968	429,501	(17,467)
Total Revenues	\$ 497,589	\$ 509,227	\$ 11,638
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 265,191	\$ 276,825	(11,634)
Other instructional programs	869	869	0
Support services:			
Student services	38,665	38,665	0
Instructional staff support	174,132	174,136	(4)
General administration	7,826	7,826	0
Business services	726	726	0
Plant services	9,731	9,731	0
Student transportation services	449	449	0
Total Expenditures	\$ 497,589	\$ 509,227	\$ (11,638)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-15

*****FOOD PROCESSING CENTERS*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Other	\$ 18,749	\$ 18,749	\$ 0
Total Revenues	<u>\$ 18,749</u>	<u>\$ 18,749</u>	<u>\$ 0</u>
EXPENDITURES			
Current:			
Support services:			
General administration	\$ 13,446	\$ 13,446	\$ 0
Total Expenditures	<u>\$ 13,446</u>	<u>\$ 13,446</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 5,303</u>	<u>\$ 5,303</u>	<u>\$ 0</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>3,493</u>	<u>3,493</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,796</u>	<u>\$ 8,796</u>	<u>0</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-16

*****WARD 1 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 387,375	\$ 398,674	\$ 11,299
Interest earnings	7,632	7,632	0
Other	1,081	1,081	0
State sources: other	69,399	69,399	0
 Total Revenues	 \$ 465,487	 \$ 476,786	 \$ 11,299
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 4,007	\$ 4,007	\$ 0
Other instructional programs	48,820	48,827	(7)
Support services:			
Student services	260	260	0
General administration	12,899	12,899	0
School administration	25,022	25,022	0
Plant services	165,970	165,973	(3)
Student transportation services	31,342	31,342	0
Facilities acquisition and construction	204,336	204,336	0
 Total Expenditures	 \$ 492,656	 \$ 492,666	 \$ (10)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (27,169)	 \$ (15,880)	 \$ 11,289
 OTHER FINANCING SOURCES (USES)			
Other sources	\$ 100	\$ 100	\$ 0
 TOTAL OTHER FINANCING SOURCES (USES)	 \$ 100	 \$ 100	 \$ 0
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ (27,069)	 \$ (15,780)	 \$ 11,289
 FUND BALANCE AT BEGINNING OF YEAR	 182,421	 182,421	 0
 FUND BALANCE AT END OF YEAR	 \$ 155,252	 \$ 166,541	 \$ 11,289

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-17

*****WARD 2 - ORANGE MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 43,373	\$ 43,373	0
Interest earnings	1,703	1,703	0
State sources: Other	24,110	24,110	0
 Total Revenues	 \$ 69,186	 \$ 69,186	 0
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 3,936	\$ 3,936	0
Other instructional programs	9,993	9,993	0
Support services:			
Student services	218	218	0
General administration	1,409	1,409	0
Plant services	17,729	17,729	0
Student transportation services	16,800	16,800	0
Facilities acquisition and construction	3,753	3,753	0
 Total Expenditures	 \$ 53,838	 \$ 53,838	 0
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ 15,348	 \$ 15,348	 0
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 29,225	\$ 29,225	0
 TOTAL OTHER FINANCING SOURCES (USES)	 \$ 29,225	 \$ 29,225	 0
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ 44,573	 \$ 44,573	 0
 FUND BALANCE AT BEGINNING OF YEAR	 27,990	 27,990	 0
 FUND BALANCE AT END OF YEAR	 \$ 72,563	 \$ 72,563	 0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-18

*****WARD 2 - HORNBECK MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 28,161	\$ 28,161	0
Interest earnings	966	966	0
State sources: Other	<u>11,387</u>	<u>11,387</u>	<u>0</u>
 Total Revenues	 <u>\$ 40,514</u>	 <u>\$ 40,514</u>	 <u>0</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 2,968	\$ 2,968	0
Other instructional programs	3,467	3,467	0
Support services:			
Student services	71	71	0
General administration	871	871	0
School administration	1,837	1,837	0
Plant services	17,188	17,188	0
Student transportation services	3,643	3,643	0
Facilities acquisition and construction	<u>5,680</u>	<u>5,680</u>	<u>0</u>
 Total Expenditures	 <u>\$ 35,725</u>	 <u>\$ 35,725</u>	 <u>0</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ 4,789</u>	 <u>\$ 4,789</u>	 <u>0</u>
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	<u>\$ 13,321</u>	<u>\$ 13,321</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>\$ 13,321</u>	 <u>\$ 13,321</u>	 <u>0</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 <u>\$ 18,110</u>	 <u>\$ 18,110</u>	 <u>0</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>15,126</u>	 <u>15,126</u>	 <u>0</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 33,236</u>	 <u>\$ 33,236</u>	 <u>0</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-19

*****WARD 3 MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 60,279	\$ 60,279	0
Interest earnings	4,256	4,256	0
State sources: Other	<u>9,934</u>	<u>9,934</u>	<u>0</u>
Total Revenues	<u>\$ 74,469</u>	<u>\$ 74,469</u>	<u>0</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	\$ 2,361	\$ 2,361	0
Support services:			
Student services	81	81	0
General administration	2,328	2,328	0
School administration	9,140	9,140	0
Plant services	20,456	20,456	0
Student transportation services	2,840	2,840	0
Facilities acquisition and construction	<u>8,977</u>	<u>8,977</u>	<u>0</u>
Total Expenditures	<u>\$ 46,183</u>	<u>\$ 46,183</u>	<u>0</u>
EXCESS: (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 28,286	\$ 28,286	0
FUND BALANCE AT BEGINNING OF YEAR	<u>32,080</u>	<u>32,080</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 60,366</u>	<u>\$ 60,366</u>	<u>0</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-20

*****WARD 4 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 125,273	\$ 125,273	\$ 0
Interest earnings	6,374	6,374	0
State sources: Other	13,127	13,127	0
Total Revenues	\$ 144,774	\$ 144,774	\$ 0
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 27,396	\$ 27,396	\$ 0
Other instructional programs	291	291	0
Support services:			
Student services	90	90	0
General administration	4,070	4,070	0
School administration	5,866	5,866	0
Business services	25	25	0
Plant services	80,401	80,401	0
Student transportation services	6,117	6,117	0
Facilities acquisition and construction	69,213	69,215	(2)
Total Expenditures	\$ 193,469	\$ 193,471	\$ (2)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (48,695)	\$ (48,697)	(2)
FUND BALANCE AT BEGINNING OF YEAR	160,503	160,503	0
FUND BALANCE AT END OF YEAR	\$ 111,808	\$ 111,806	\$ (2)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-21

*****WARD 5 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 55,117	\$ 55,117	\$ 0
Interest earnings	3,254	3,254	0
State sources: Other	10,282	10,282	0
 Total Revenues	 \$ 68,653	 \$ 68,653	 \$ 0
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 30,432	\$ 30,432	\$ 0
Other instructional programs	9,919	9,919	0
Support services:			
Student services	600	600	0
General administration	1,780	1,780	0
School administration	2,861	2,861	0
Business services	7	7	0
Plant services	27,933	27,933	0
Student transportation services	511	511	0
Facilities acquisition and construction	2,722	2,722	0
 Total Expenditures	 \$ 76,765	 \$ 76,765	 \$ 0
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (8,112)	 \$ (8,112)	 \$ 0
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 8,250	\$ 8,250	\$ 0
Operating transfers out	(8,250)	(8,250)	0
Other sources	80	80	0
 Total Other Financing Sources (Uses)	 \$ 80	 \$ 80	 \$ 0
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ (8,032)	 \$ (8,032)	 \$ 0
 FUND BALANCE AT BEGINNING OF YEAR	 44,011	 44,011	 0
 FUND BALANCE AT END OF YEAR	 \$ 35,979	 \$ 35,979	 \$ 0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-22

*****WARD 6 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 32,796	\$ 32,796	\$ 0
Interest earnings	7,626	7,626	0
Other	9,250	9,250	0
State sources: Other	6,904	6,904	0
 Total Revenues	 \$ 56,576	 \$ 56,576	 \$ 0
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 5,538	\$ 5,538	\$ 0
Other instructional programs	9,162	9,162	0
Support services:			
Student services	548	548	0
General administration	1,053	1,053	0
School administration	6,168	6,168	0
Plant services	74,473	74,473	0
Student transportation services	2,340	2,340	0
Facilities acquisition and construction	131,654	131,654	0
 Total Expenditures	 \$ 230,936	 \$ 230,936	 \$ 0
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (174,360)	 \$ (174,360)	 \$ 0
 OTHER FINANCING SOURCES (USES)			
Other sources	2,500	2,500	0
 Total Other Financing Sources (Uses)	 \$ 2,500	 \$ 2,500	 \$ 0
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 \$ (171,860)	 \$ (171,860)	 \$ 0
 FUND BALANCE AT BEGINNING OF YEAR	 276,640	 276,640	 0
 FUND BALANCE AT END OF YEAR	 \$ 104,780	 \$ 104,780	 \$ 0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-23

*****WARD 7 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 60,331	\$ 60,331	\$ 0
Interest earnings	9,243	9,243	0
State sources: Other	25,171	25,171	0
 Total Revenues	\$ 94,745	\$ 94,745	\$ 0
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 2,952	\$ 2,952	\$ 0
Other instructional programs	9,502	9,502	0
Support services:			
Student services	70	70	0
General administration	2,292	2,292	0
School administration	4,284	4,284	0
Plant services	60,371	60,374	(3)
Student transportation services	66,385	66,391	(6)
Facilities acquisition and construction	12,116	12,116	0
 Total Expenditures	\$ 157,972	\$ 157,981	\$ (9)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (63,227)	\$ (63,236)	\$ (9)
 OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 55,084	\$ 55,084	\$ 0
 Total Other Financing Sources (Uses)	\$ 55,084	\$ 55,084	\$ 0
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (8,143)	\$ (8,152)	\$ (9)
 FUND BALANCE AT BEGINNING OF YEAR	70,987	70,987	0
 FUND BALANCE AT END OF YEAR	\$ 62,844	\$ 62,835	\$ (9)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1997

Exhibit 3-24

*****WARD 8 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 27,555	\$ 27,555	\$ 0
Interest earnings	551	551	0
State sources: Other	8,062	8,062	0
Total Revenues	\$ 36,168	\$ 36,168	\$ 0
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	\$ 1,997	\$ 1,997	\$ 0
Support services:			
General administration	882	882	0
Plant services	26,528	26,528	0
Student transportation services	541	541	0
Total Expenditures	\$ 29,948	\$ 29,948	\$ 0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 6,220	\$ 6,220	\$ 0
TOTAL OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 9,742	\$ 9,742	\$ 0
Other uses	(10)	(10)	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ 9,732	\$ 9,732	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 15,952	\$ 15,952	\$ 0
FUND BALANCE AT BEGINNING OF YEAR	2,660	2,660	0
FUND BALANCE AT END OF YEAR	\$ 18,612	\$ 18,612	\$ 0

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

DEBT SERVICE FUNDS

Ward No. 1
Ward No. 2 - Orange
Ward No. 2 - Hornbeck
Ward No. 3
Ward No. 4
Ward No. 5
Ward No. 6
Ward No. 7
Ward No. 8

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective wards.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 1997

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
ASSETS				
Cash and cash equivalents	\$ 4,727	\$ 2,946	\$ 2,167	\$ 2,513
Investments	178,936	185,423	47,875	117,453
Receivables	2,051	1,993	1,577	568
TOTAL ASSETS	\$ 185,714	\$ 190,362	\$ 51,619	\$ 120,534
LIABILITIES AND FUND EQUITY				
Liabilities:				
Interfund payables	\$ 11,299	\$ 0	\$ 0	\$ 0
Total Liabilities	\$ 11,299	\$ 0	\$ 0	\$ 0
Fund Equity				
Fund Balances:				
Reserved for debt service	\$ 174,415	\$ 190,362	\$ 51,619	\$ 120,534
Total Equity	\$ 174,415	\$ 190,362	\$ 51,619	\$ 120,534
TOTAL LIABILITIES AND FUND EQUITY	\$ 185,714	\$ 190,362	\$ 51,619	\$ 120,534

Exhibit 4

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 2,881	\$ 2,921	\$ 2,092	\$ 3,019	\$ 2,507	25,773
251,997	138,918	213,687	166,739	99,015	1,400,043
1,755	1,089	1,166	1,239	1,773	13,211
<u>\$ 256,633</u>	<u>\$ 142,928</u>	<u>\$ 216,945</u>	<u>\$ 170,997</u>	<u>\$ 103,295</u>	<u>1,439,027</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,299
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	11,299
<u>\$ 256,633</u>	<u>\$ 142,928</u>	<u>\$ 216,945</u>	<u>\$ 170,997</u>	<u>\$ 103,295</u>	<u>1,427,728</u>
<u>\$ 256,633</u>	<u>\$ 142,928</u>	<u>\$ 216,945</u>	<u>\$ 170,997</u>	<u>\$ 103,295</u>	<u>1,427,728</u>
<u>\$ 256,633</u>	<u>\$ 142,928</u>	<u>\$ 216,945</u>	<u>\$ 170,997</u>	<u>\$ 103,295</u>	<u>1,439,027</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 158,110	\$ 181,961	\$ 154,571	\$ 125,195
Interest earnings	6,629	15,672	4,927	3,692
Total revenues	<u>\$ 164,739</u>	<u>\$ 197,633</u>	<u>\$ 159,498</u>	<u>\$ 128,887</u>
EXPENDITURES				
Current:				
Support services:				
General administration	\$ 4,949	\$ 5,854	\$ 4,972	\$ 4,040
Debt service:				
Principal retirement	100,000	95,000	64,920	25,000
Interest and bank charges	51,377	77,147	83,367	61,750
Total expenditures	<u>\$ 156,326</u>	<u>\$ 178,001</u>	<u>\$ 153,259</u>	<u>\$ 90,790</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 8,413</u>	<u>\$ 19,632</u>	<u>\$ 6,239</u>	<u>\$ 38,097</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>166,002</u>	<u>170,730</u>	<u>45,380</u>	<u>82,437</u>
FUND BALANCES AT END OF YEAR	<u>\$ 174,415</u>	<u>\$ 190,362</u>	<u>\$ 51,619</u>	<u>\$ 120,534</u>

Exhibit 5

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$	286,747 \$	214,646 \$	82,960 \$	196,036 \$	161,689 \$	1,561,915
	15,225	8,096	8,913	9,941	9,098	82,193
\$	301,972 \$	222,742 \$	91,873 \$	205,977 \$	170,787 \$	1,644,108
\$	9,316 \$	6,920 \$	2,676 \$	6,355 \$	5,237 \$	50,319
	121,000	82,450	35,943	85,000	70,000	679,313
	155,662	100,294	63,042	88,848	59,369	740,856
\$	285,978 \$	189,664 \$	101,661 \$	180,203 \$	134,606 \$	1,470,488
\$	15,994 \$	33,078 \$	(9,788) \$	25,774 \$	36,181 \$	173,620
	240,639	109,850	226,733	145,223	67,114	1,254,108
\$	256,633 \$	142,928 \$	216,945 \$	170,997 \$	103,295 \$	1,427,728

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

AGENCY FUNDS

SCHOOL ACTIVITY FUND

The activities of the various individual school accounts are accounted for in the school activity agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

SCHOLARSHIP FUND

This scholarship agency fund is funded by voluntary employee contributions. The proceeds are used to provide an annual scholarship for an outstanding graduate who plans to major in education.

SALES TAX FUND

The sales tax fund accounts for monies collected on behalf of the other taxing authorities in Vernon Parish. Upon receipt of sales tax returns and monies, a direct deposit is made into the bank account of the other taxing authorities.

DEFERRED COMPENSATION FUND

The deferred compensation agency fund is used to account for employee deductions, investment earnings and eventual payments of benefits to employees under deferred compensation plans established by the School Board under Section 457 of the Internal Revenue Code.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

AGENCY FUNDS
Combining Statement of Assets and Liabilities
June 30, 1997

Exhibit 6

	SCHOOL ACTIVITY FUND	SCHOLARSHIP FUND	DEFERRED COMPENSATION FUND	TOTAL
ASSETS				
Cash and cash equivalents	\$ 550,273	\$ 5,474	\$ 0	\$ 555,747
Investments	0	0	418,595	418,595
Total assets	\$ 550,273	\$ 5,474	\$ 418,595	\$ 974,342
LIABILITIES				
Deposits due student groups	\$ 550,273	\$ 5,474	\$ 0	\$ 555,747
Deposits due others	0	0	418,595	418,595
Total liabilities	\$ 550,273	\$ 5,474	\$ 418,595	\$ 974,342

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

AGENCY FUNDS
Combining Statement of Changes In Assets and Liabilities
For the Year Ended June 30, 1997

Exhibit 7

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
*****SCHOOL ACTIVITY FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 530,171</u>	<u>2,254,055</u>	<u>2,233,953</u>	<u>\$ 550,273</u>
 LIABILITIES				
Deposits due student groups	<u>\$ 530,171</u>	<u>2,254,055</u>	<u>2,233,953</u>	<u>\$ 550,273</u>
*****SCHOLARSHIP FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 3,623</u>	<u>3,891</u>	<u>2,040</u>	<u>\$ 5,474</u>
 LIABILITIES				
Deposits due student groups	<u>\$ 3,623</u>	<u>3,891</u>	<u>2,040</u>	<u>\$ 5,474</u>
*****SALES TAX FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 0</u>	<u>12,104,854</u>	<u>12,104,854</u>	<u>\$ 0</u>
 LIABILITIES				
Deposits due other taxing authorities	<u>\$ 0</u>	<u>12,104,854</u>	<u>12,104,854</u>	<u>\$ 0</u>

(CONTINUED)

**VERNON PARISH SCHOOL BOARD
Leesville, Louisiana**

**AGENCY FUNDS
Combining Statement of Changes In Assets and Liabilities
For the Year Ended June 30, 1997**

Exhibit 7

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
*****DEFERRED COMPENSATION FUND*****				
ASSETS				
Investments	\$ <u>150,486</u>	<u>284,035</u>	<u>15,926</u>	\$ <u>418,595</u>
LIABILITIES				
Deposits due others	\$ <u>150,486</u>	<u>284,035</u>	<u>15,926</u>	\$ <u>418,595</u>
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 533,794	14,362,800	14,340,847	\$ 555,747
Investments	<u>150,486</u>	<u>284,035</u>	<u>15,926</u>	<u>418,595</u>
Total Assets	<u>\$ 684,280</u>	<u>14,646,835</u>	<u>14,356,773</u>	<u>\$ 974,342</u>
LIABILITIES				
Deposits due student groups	\$ 533,794	2,257,946	2,235,993	\$ 555,747
Deposits due other taxing authorities	0	12,104,854	12,104,854	0
Deposits due others	<u>150,486</u>	<u>284,035</u>	<u>15,926</u>	<u>418,595</u>
Total Liabilities	<u>\$ 684,280</u>	<u>14,646,835</u>	<u>14,356,773</u>	<u>\$ 974,342</u>

(CONCLUDED)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1997

Exhibit 8

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
ANACOCO HIGH	\$ 24,297	\$ 207,502	\$ 212,603	\$ 19,196
ANACOCO ELEMENTARY	30,151	39,570	35,597	34,124
EAST LEESVILLE ELEMENTARY	31,833	52,199	54,115	29,917
EVANS	19,253	94,723	85,743	28,233
HICKS	17,766	87,447	81,728	23,485
HORNBECK	9,461	64,147	66,344	7,264
LEESVILLE HIGH	107,501	441,786	441,441	107,846
LEESVILLE JUNIOR HIGH	13,008	125,057	122,030	16,035
NORTH POLK ELEMENTARY	10,466	41,768	45,598	6,636
PICKERING HIGH	26,517	220,630	228,526	18,621
PICKERING ELEMENTARY	62,317	151,123	136,620	76,820
PITKIN HIGH	28,315	154,086	149,721	32,680
ROSEPINE HIGH	51,812	205,978	206,210	51,580
ROSEPINE ELEMENTARY	24,934	62,097	58,694	28,337
SIMPSON	45,063	87,721	97,212	35,572
SOUTH POLK ELEMENTARY	9,689	36,517	30,810	15,396
VERNON ELEMENTARY	6,650	129,536	130,343	5,843
WEST LEESVILLE ELEMENTARY	<u>11,138</u>	<u>52,168</u>	<u>50,618</u>	<u>12,688</u>
TOTAL	\$ <u>530,171</u>	\$ <u>2,254,055</u>	\$ <u>2,233,953</u>	\$ <u>550,273</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed asset account group records the fixed assets of the School Board which are used in governmental fund-type operations.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION

Exhibit 10

For the Year Ended June 30, 1997

<u>FUNCTION</u>	<u>BALANCE</u> <u>JULY 1, 1996</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1997</u>
Instruction	\$ 49,204,702	\$ 1,002,046	\$ 0	\$ 50,206,748
General Administration	670,827	32,127		702,954
Student Transportation	632,022			632,022
Food Service Operations	<u>2,143,593</u>	<u>14,233</u>		<u>2,157,826</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 52,651,144</u>	<u>\$ 1,048,406</u>	<u>\$ 0</u>	<u>\$ 53,699,550</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF GENERAL FIXED ASSETS -
BY FUNCTION

June 30, 1997

<u>FUNCTION</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>
Instruction	\$ 50,206,748	\$ 262,874	\$ 44,714,241
General Administration	702,954	0	0
Student Transportation	632,022	0	0
Food Service Operations	<u>2,157,826</u>	<u>0</u>	<u>0</u>
 TOTAL GENERAL FIXED ASSETS	 \$ <u>53,699,550</u>	 \$ <u>262,874</u>	 \$ <u>44,714,241</u>

Exhibit 11

<u>FURNITURE AND EQUIPMENT</u>	<u>VEHICLES</u>
\$ 5,229,633	\$ 0
681,860	21,094
0	632,022
<u>2,157,826</u>	<u>0</u>
<u>\$ 8,069,319</u>	<u>\$ 653,116</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

GENERAL

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month, and the president receives \$900 per month for performing the duties of his office.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Exhibit 12

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1997

MR. WILLIS A. FARRIS, PRESIDENT	\$	10,200
MR. RICHARD W. "DICKIE" BAILES		9,600
MR. GERALD BURNS		9,600
MR. ALVIN C. "CHUCK" DOWDEN, JR.		9,600
MR. PHILIP L. GUNN		9,600
MR. B. R. HARVEY		9,600
MR. M. GENE HAYMON		9,600
MR. C. A. HUGHES		9,600
MR. BENARD MCKEE		9,600
MR. MURPHY O'BANION		9,600
MR. W. W. "BILL" PARKER		9,600
MR. MARK SMITH		10,200
MS. KIM REESE		9,600
MS. LINDA WEST		9,600
MS. BETTY WESTERCHIL		<u>9,600</u>
TOTAL	\$	<u>145,200</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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Table 1

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

General Expenditures By Function - All Governmental Fund Types
Fiscal Year Ended June 30, 1988 through June 30, 1997

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Current:										
Instruction										
Regular programs	\$ 12,730,570	\$ 14,409,396	\$ 15,836,942	\$ 15,720,006	\$ 21,139,666	\$ 20,261,090	\$ 19,327,193	\$ 21,419,880	\$ 19,879,963	\$ 20,326,278
Special programs	2,864,704	2,974,444	3,023,899	3,794,621	5,951,604	7,049,246	6,295,524	8,426,359	8,281,757	7,118,602
Other instructional programs						350,561	1,544,866	1,222,926	2,074,205	3,300,499
Support services										
Student services	557,687	861,955	687,867	782,855	1,719,986	1,558,696	1,625,338	1,845,810	1,759,578	1,765,352
Instructional staff support	900,905	976,652	1,043,419	1,137,292	1,621,959	1,697,699	2,006,966	2,251,219	2,212,921	2,187,309
General administration	4,274,335	7,739,323	10,583,359	9,626,634	589,019	917,252	1,154,216	1,199,673	1,547,055	1,145,272
School administration					1,888,487	2,119,629	2,558,345	2,675,738	2,794,075	2,637,416
Business services	6,462,905	6,640,352	7,549,762	7,462,781	888,678	293,080	382,195	429,765	399,657	398,683
Plant services					3,917,367	4,467,986	4,748,897	4,912,181	4,641,655	4,679,651
Student transportation services					3,495,571	3,364,924	3,942,982	4,037,535	4,025,802	3,956,429
Central services	1,022,375	1,099,302	1,036,808	1,343,982	115,042	126,036	166,207	161,574	212,461	151,983
Food services					3,118,525	3,146,669	3,472,498	3,696,347	3,565,957	3,641,239
Community service programs					39,738	13,125	20,299	7,071	3,470	900
Facilities Acquisition and Construction	32,049				112,975	74,523	1,293,215	4,888,064	1,366,447	1,048,406
Debt Services:										
Principal retirement	493,000	515,000	534,700	599,410	525,000	569,520	878,861	807,583	804,621	705,204
Interest and bank charges	1,349,913	1,133,899	1,148,699	1,115,966	1,002,406	1,002,175	842,575	794,503	804,566	745,554
Total Expenditures	\$ 30,688,443	\$ 36,350,323	\$ 41,445,455	\$ 41,583,547	\$ 46,126,023	\$ 47,012,211	\$ 50,260,177	\$ 58,776,228	\$ 54,374,190	\$ 53,808,777

Notes:

(1) Effective for the 1991-1992 fiscal year, financial reporting was changed to mirror the main reporting categories as used in preparing the Annual Financial and Statistical Report which is filed with the Louisiana Department of Education.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

General Revenues By Source - All Governmental Fund Types
Fiscal Years Ended June 30, 1988 through June 30, 1997

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Revenues from local sources:										
Ad valorem taxes	\$ 2,837,870	\$ 2,764,253	\$ 2,771,314	\$ 3,109,004	\$ 2,773,467	(2) \$ 3,134,192	\$ 3,105,055	\$ 3,067,637	\$ 2,970,502	\$ 3,152,582
Sales taxes	2,212,197	2,317,521	2,372,351	2,520,608	4,476,788	4,577,358	4,882,592	5,063,735	5,608,037	6,473,895
Investment earnings	440,193	713,944	676,087	425,947	303,772	223,974	245,281	226,654	257,425	375,229
Food sales (1)		632,940	622,428	687,539	786,935	687,917	711,245	705,601	743,812	713,616
Other	39,222	48,470	32,339	36,529	83,842	147,389	184,874	572,057	239,010	281,635
Total revenues from local source	5,529,482	6,477,128	6,474,519	6,779,627	8,424,804	8,770,830	9,129,047	9,635,684	9,818,786	10,996,957
Revenues from state sources	19,723,241	22,581,443	25,308,040	26,012,611	26,804,822	29,076,533	30,691,165	32,793,180	33,248,650	35,057,709
Revenues from federal sources	5,034,282	8,266,326	7,396,347	9,086,263	9,598,428	9,524,697	10,770,544	14,151,165	10,521,861	8,724,547
Total Revenues	\$ 30,287,005	\$ 37,324,897	\$ 39,178,906	\$ 41,878,501	\$ 44,828,054	\$ 47,372,060	\$ 50,590,756	\$ 56,580,029	\$ 53,589,297	\$ 54,779,213

Notes:

(1) The School Food Service Operation was reflected as a proprietary fund for the years ended June 30, 1988 and prior.

(2) The School Board has collected a 1% sales tax since 1973. Effective July 1, 1991, an additional 1% sales tax is being collected by the School Board.

Table 3

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections		Total Tax, Interest and Penalty Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
				Delinquent Taxes	Interest and Penalty				
1987-88	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A	N/A	\$ N/A	N/A
1988-89	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1989-90	2,772,686	2,688,617	97.0%	15,630	16,417	2,720,664	98.1%	95,596	3.4%
1990-91	2,958,239	2,826,804	95.6%	102,419	4,552	2,933,775	99.2%	39,240	1.3%
1991-92	2,709,182	2,701,980	99.7%	10,938	18,025	2,730,943	100.8%	N/A	N/A
1992-93	3,048,228	3,025,232	99.2%	26,806	10,917	3,062,955	100.5%	51,962	1.7%
1993-94	3,037,221	3,008,323	99.0%	25,714	11,014	3,045,051	100.3%	55,240	1.8%
1994-95	2,937,328	2,918,759	99.4%	13,554	3,190	2,935,503	99.9%	71,460	2.4%
1995-96	2,983,562	2,852,180	95.6%	21,347	8,441	2,881,968	96.6%	110,922	3.7%
1996-97	3,069,674	2,937,551	95.7%	23,348	20,039	2,980,938	97.1%	113,628	3.7%

Source: Vernon Parish Tax Assessor

N/A: Information not available

Table 4

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Assessed and Estimated Actual Value of Taxable Property (1)
Last Ten Calendar Years

Year	Real Property		Personal Property		Exemptions (2)		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property		Assessed Value	Estimated Actual Value	
1987	\$ 63,288,100	\$ 487,754,743	\$ 7,525,790	\$ 50,171,933	\$ 25,476,700		\$ 45,337,190	\$ 537,926,676	8.4%
1988	65,997,830	513,884,638	7,449,450	49,663,000	26,317,240		47,130,040	563,547,638	8.4%
1989	67,579,360	529,611,234	7,266,720	48,444,800	26,631,000		48,215,080	578,056,034	8.3%
1990	69,589,900	541,753,163	8,135,350	54,235,667	26,791,560		50,933,690	595,988,830	8.5%
1991	70,600,610	551,452,378	7,848,330	52,322,200	27,697,540		50,751,400	603,774,578	8.4%
1992	72,850,660	568,579,121	8,621,290	57,475,267	27,604,050		53,867,900	626,054,388	8.6%
1993	73,728,927	573,827,442	9,874,050	65,827,000	27,553,348		56,049,629	639,654,442	8.8%
1994	75,415,510	589,912,667	10,122,020	67,480,133	29,002,170		56,535,360	657,392,800	8.6%
1995	77,427,310	605,780,982	10,612,040	70,746,933	29,728,590		58,310,760	676,527,915	8.6%
1996	82,239,710	639,360,580	11,536,890	76,912,600	30,568,150		63,208,450	716,273,180	8.8%

Notes:

- (1) Total assessed value is 10% to 25% of estimated actual value.
 (2) Homestead exemption is \$75,000 estimated actual value (\$7,500 assessed value) per household.
 (3) Source: Grand Recapitulation prepared by Vernon Parish Tax Assessor

Table 5

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Property Tax Rates and Tax Levies - All Direct and Overlapping Governments
Last Ten Calendar Years

Year	Tax Rates per \$1,000 of Assessed Value					Tax Levies						
	Parish	Sheriff	School	City of Leesville	Water District	Total	Parish	Sheriff	School	City of Leesville	Water District	Total
1987	83.84	17.42	10.24	26.65	0.00	138.15	\$ 1,526,120	\$ 959,047	\$ 3,612,727	\$ 455,854	\$ 0	\$ 6,553,748
1988	106.24	17.42	10.24	24.77	0.00	158.67	2,116,636	1,279,461	4,416,359	517,328	0	8,329,784
1989	101.51	17.94	10.51	19.84	0.00	149.80	1,897,659	1,303,832	4,532,562	418,674	0	8,152,727
1990	88.89	17.94	10.51	19.84	0.00	137.18	1,683,168	1,353,976	4,784,994	426,558	0	8,248,696
1991	91.87	17.94	10.61	20.38	10.00	150.80	1,740,056	1,407,378	4,452,290	448,798	34,205	8,082,727
1992	96.20	17.94	10.87	19.71	42.00	186.72	2,062,917	1,461,616	4,874,623	448,259	182,655	9,030,070
1993	101.50	17.94	10.87	25.01	53.00	208.32	2,425,278	1,499,847	4,779,759	589,991	225,342	9,520,217
1994	101.60	17.94	10.87	25.31	71.00	226.72	2,502,348	1,534,552	4,664,524	609,458	307,625	9,618,507
1995	102.60	17.94	10.87	26.31	71.00	228.72	2,655,243	1,579,435	4,709,972	640,580	321,528	9,906,758
1996	102.60	17.94	10.87	26.31	68.00	225.72	2,868,513	1,682,356	4,819,435	657,572	329,012	10,356,888

Notes:

Source: Grand Reconciliation prepared by Vernon Parish Tax Assessor

Table 6

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net General Obligation Bonded Debt per Capita

Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1987-88	63,010	\$ 70,813,890	\$ 16,045,000	\$ 1,407,333	\$ 14,637,667	20.7%	\$ 232
1988-89	62,477	73,447,280	15,030,360	1,289,451	13,740,909	18.7%	220
1989-90	61,574	74,846,080	14,495,930	1,356,678	13,139,252	17.6%	213
1990-91	61,961	77,725,250	13,896,520	1,470,131	12,426,389	16.0%	201
1991-92	62,509	78,448,940	13,311,520	1,209,442	12,102,078	15.4%	194
1992-93	63,385	81,471,950	12,742,000	1,381,415	11,360,585	13.9%	179
1993-94	59,584	83,602,977	14,338,000	1,344,044	12,993,956	15.5%	218
1994-95	56,083	85,537,530	13,530,417	1,306,208	12,224,209	14.3%	218
1995-96	54,303	88,039,350	12,725,795	1,254,110	11,471,685	13.0%	211
1996-97	52,989	93,776,600	12,046,482	1,427,728	10,618,754	11.3%	200

Notes:

(1) Source: Louisiana Tech University

(2) From Table 4

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Statement of Direct, Overlapping, and Underlying General Obligation Bonded Debt
June 30, 1997

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to This Unit	School Board's Share of Debt (2)
Vernon Parish School Board (3)	\$ 10,618,754	100%	\$ 10,618,754
Vernon Parish Police Jury (3)	4,804,764	100%	4,804,764
Vernon Parish Sheriff (3)	2,009,620	100%	2,009,620
City of Leesville (3)	3,984,646	14%	557,850
Total	<u>\$ 21,417,784</u>		<u>\$ 17,990,988</u>

Notes:

(1) Various taxing districts exist within Vernon Parish that involve a small percentage of Parish taxpayers. These districts' debt is not included.

(2) This represents the debt of all the constituents who reside within Vernon Parish.

(3) Financial information extracted from Annual Financial Report of respective government.

Table 8

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Computation of Legal Debt Margin
June 30, 1997

Assessed value (1)	\$ 93,776,600
Debt limitation - 35 percent of assessed value	32,821,810
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 12,046,482
Less: Assets in debt service funds	<u>1,427,728</u>
Total amount of debt applicable to debt limit	<u>10,618,754</u>
Legal debt margin	<u>\$ 22,203,056</u>

Notes:
(1) Vernon Parish Tax Assessor

Table 9

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures

Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1987-88	\$ 493,000	\$ 1,349,913	\$ 1,842,913	\$ 30,688,443	6.01%
1988-89	515,000	1,133,899	1,648,899	36,350,323	4.54%
1989-90	534,700	1,148,699	1,683,399	41,445,455	4.06%
1990-91	599,410	1,115,966	1,715,376	41,583,547	4.13%
1991-92	525,000	1,002,406	1,527,406	46,126,023	3.31%
1992-93	569,520	1,002,175	1,571,695	47,012,211	3.34%
1993-94	878,861	842,575	1,721,436	50,260,177	3.43%
1994-95	807,583	794,503	1,602,086	58,776,228	2.73%
1995-96	804,621	804,566	1,609,187	54,374,190	2.96%
1996-97	679,313	740,856	1,420,169	53,808,777	2.64%

Notes:

(1) Includes all governmental funds.

Table 10

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Demographic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Per Capita Income (2) \$	Median Age	School Enrollment (3)	Unemployment Rate (2)
1987	63,010	9,392	N/A	12,890	8.7%
1988	62,477	9,555	N/A	12,462	8.9%
1989	61,574	9,802	N/A	12,008	8.2%
1990	61,961	10,614	N/A	12,247	6.3%
1991	62,509	11,569	N/A	12,437	6.9%
1992	63,385	12,048	N/A	11,629	8.6%
1993	59,584	13,090	N/A	11,397	8.5%
1994	56,083	13,622	N/A	11,576	9.6%
1995	54,303	14,072	24.7	11,320	7.4%
1996	52,989	N/A	28	10,877	7.2%

Notes:

(1) Source: Louisiana Tech University

(2) Source: Northeast Louisiana University, Center for Business & Economic Research

(3) Source: Louisiana School Directory

N/A: Information not available

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Property Value, Construction and Bank Deposits
Last Ten Calendar Years

Calendar Year	Property Value			Total	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2)
	Commercial	Residential	Exemptions		Number of Units	Value	Number of Units	Value	
1987	\$ 147,357,800	\$ 390,568,876	\$ 25,476,700	\$ 512,449,976	5	\$ 329,877	351	\$ 5,305,172	\$ N/A
1988	147,860,853	415,686,785	26,317,240	537,230,398	N/A	N/A	N/A	N/A	113,494
1989	149,256,573	428,799,460	26,631,000	551,425,033	4	1,028,821	142	1,855,957	118,300
1990	161,754,867	434,233,963	26,791,560	569,197,270	12	1,338,997	29	888,066	122,614
1991	161,969,347	441,805,232	27,697,540	576,077,039	4	2,101,316	61	2,040,442	162,293
1992	169,936,933	456,117,455	27,604,050	598,450,338	13	281,714	165	1,023,943	146,630
1993	187,478,730	452,175,712	27,553,348	612,101,094	19	530,697	76	1,576,162	157,030
1994	186,529,533	470,863,267	29,002,170	628,390,630	13	1,710,319	131	1,920,410	153,249
1995	277,655,947	398,871,969	29,728,590	646,799,326	79	570,741	45	1,466,505	150,587
1996	287,474,767	428,798,414	30,568,150	685,705,031	2	175,000	2	105,000	N/A

Notes:

(1) Source: City of Leesville

(2) Source: Northeast Louisiana University, Center for Business & Economic Research

N/A: Information not available

Table 12

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Principal Taxpayers
December 31, 1996

Name	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Central Bell	Public Utility	\$ 2,480,680	2.65%
Central La. Electric Company	Public Utility	1,349,890	1.44%
Merchants & Farmers Bank	Financial Institution	1,363,460	1.45%
Entergy Louisiana, Inc.	Public Utility	815,880	0.87%
AMISUB (Byrd Hospital), Inc.	Medical	828,070	0.88%
Wal-Mart Stores Inc. #01-0405	Retail	717,320	0.76%
Comm-Care Corporation	Medical	575,500	0.61%
Lowes Home Centers, Inc. #391	Retail	546,550	0.58%
Alford Motors, Inc.	Automobile Dealer	417,750	0.45%
Galaxy Telecom, LP	Public Utility	496,000	0.53%
Totals		\$ 9,591,100	10.23%

Source: Vernon Parish Tax Assessor

Table 13

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Principal Employers
June 30, 1997

Name of Business	Type of Business	Number of Employees
Fort Polk Military Base	Armed Services	5,040
Vernon Parish School Board	Education	1,486
Bayne-Jones Army Community Hospital	Medical	428
Wal-Mart Discount Store	Retail	227
Byrd Regional Hospital	Medical	223
Vernon Parish Police Jury	Government	160
Vernon Parish Sheriff's Department	Law Enforcement	130
Community Care Center of Leesville	Medical	120
Leesville State School	Education	115
McDonalds	Restaurant	115

Source: City of Leesville,
Economic Development Office

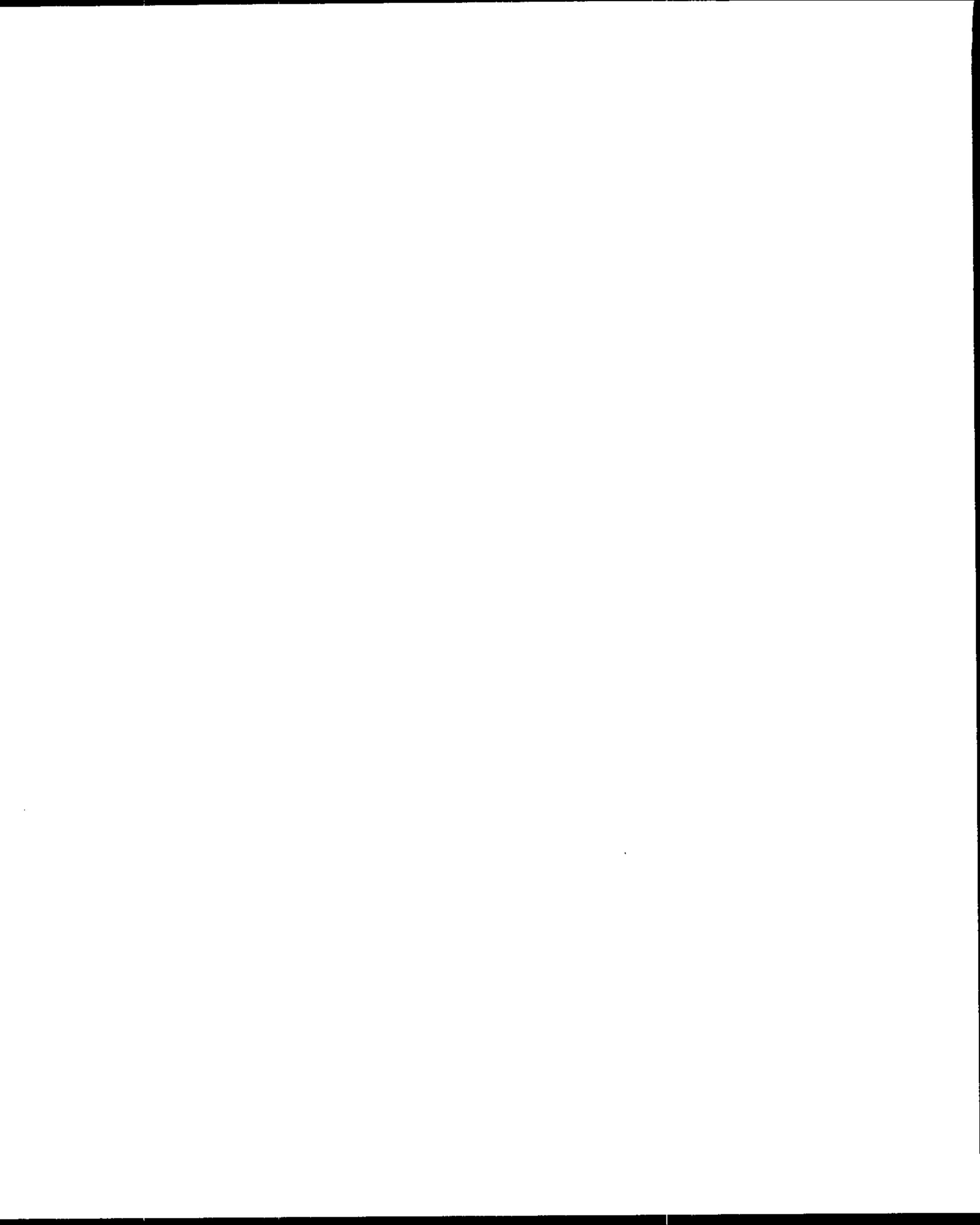
Table 14

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

Attendance Data

Fiscal years ended June 30, 1988 through June 30, 1997

Fiscal Year	Number of Graduates	Average Daily Membership	Average Daily Attendance	
			Amount	Percent of Change
1988	540	11,596	11,091	-0.15%
1989	576	11,308	10,852	-2.15%
1990	500	11,516	11,033	1.67%
1991	529	11,922	11,406	3.38%
1992	529	12,151	11,576	1.49%
1993	453	9,993	9,499	-17.94%
1994	486	10,992	10,448	9.99%
1995	518	10,881	10,305	-1.37%
1996	467	10,915	10,155	-1.46%
1997	487	9,478	8,948	-11.89%



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**VERNON PARISH SCHOOL BOARD
Leesville, Louisiana**

**COMPLIANCE WITH SINGLE AUDIT ACT
AMENDMENT OF 1996
FOR THE YEAR ENDED JUNE 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date _____

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

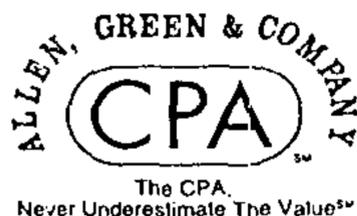
COMPLIANCE WITH SINGLE AUDIT ACT AMENDMENT OF 1996
FOR THE YEAR ENDED JUNE 30, 1997

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ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



2414 Ferrand Street
Monroe, Louisiana 71201
Telephone (318) 388-4422

Post Office Box 6075
Monroe, Louisiana 71211-6075
Facsimile (318) 388-4664

Web: <http://www.allengreencpa.com>

Ernest L. Allen, CPA
(A Professional
Accounting Corp.)

Tim Green, CPA

Margie Williamson, CPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members
Vernon Parish School Board
Leesville, Louisiana

We have audited the financial statements of Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 2, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Vernon Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Vernon Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Company LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 2, 1997

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

2414 Ferrand Street
Monroe, Louisiana 71201
Telephone (318) 388-4422

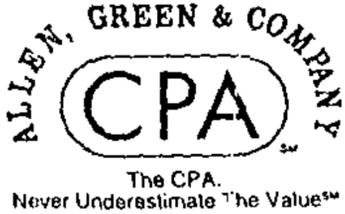
Post Office Box 6075
Monroe, Louisiana 71211-6075
Facsimile (318) 388-4664

Web: <http://www.allengreencpa.com>

Ernest L. Allen, CPA
(A Professional
Accounting Corp.)

Tim Green, CPA

Margie Williamson CPA



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board Members
Vernon Parish School Board
Leesville, Louisiana

Compliance

We have audited the compliance of Vernon Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. Vernon Parish School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Vernon Parish School Board's management. Our responsibility is to express an opinion on Vernon Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Vernon Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Vernon Parish School Board's compliance with those requirements.

In our opinion, Vernon Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of Vernon Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Vernon Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material

Board Members
Vernon Parish School Board
Leesville, Louisiana

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of Vernon Parish School Board, Leesville, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 2, 1997. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Company LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 2, 1997

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1997**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
National School Lunch Program	10.555	N/A	\$1,415,184
School Breakfast Program	10.553	N/A	366,567
Summer Food Program for Children	10.559	N/A	5,956
Passed through Louisiana Department of Treasury			
Schools and Roads - Grants to States (National Forest Lands)	10.665	N/A	<u>351,746</u>
Total United States Department of Agriculture			<u>2,139,453</u>
United States Department of Education			
Direct Programs:			
Impact Aid - Maintenance and Operation	84.041	N/A	2,702,641
Passed Through Louisiana Department of Education:			
Adult Education - State-Administered			
Basic Grant Program	84.002	N/A	98,453
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	97-IASA-58-I	1,570,150
Special Education:			
State Grants - Part B	84.027	97-FT58	429,501
Preschool Grants	84.173	97-PF58	79,682
Vocational Education:			
Basic Grants to States	84.048	N/A	69,035
Tech-Prep Education	84.243	N/A	124,591
Innovative Education Program			
Strategies - Title VI	84.298	97-IASA-58-VI	48,811
Eisenhower Professional Development			
State Grants - (Title II)	84.281	97-IASA-58-II	34,547
Title IV (Safe and Drug-Free Schools)	84.186	97-IASA-58-IV	<u>57,508</u>
Total United States Department of Education			<u>5,214,919</u>

(Continued)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1997**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Health and Human Services Direct program - Head Start Passed Through the Louisiana Department of Education Payments to States for Child Care Assistance (Starting Points Preschool)	93.600 93.575	06CH5622/30 N/A	\$1,017,659 <u>64,754</u>
Total United States Department of Health and Human Services			<u>1,082,413</u>
United States Department of Labor Passed through the Fifth Planning District Consortium Job Training Partnership Act (JTPA) Passed through the Louisiana Department of Social Services Job Opportunities and Basic Skills Training (Project Independence)	 17.250 93.561	 N/A N/A	 26,222 <u>1,842</u>
Total United States Department of Labor			<u>28,064</u>
United States Department of Defense Direct Programs: Department of The Army JROTC	 12.609	 N/A	 <u>51,721</u>
Other Cash Federal Awards Passed through the Louisiana Department of Education Unisys	 NONE	 N/A	 <u>22,591</u>
TOTAL CASH FEDERAL AWARDS			<u>8,539,161</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program (Commodities)	 10.550	 N/A	 <u>185,386</u>
TOTAL NONCASH FEDERAL AWARDS			<u>185,386</u>
TOTAL FEDERAL AWARDS			<u>\$8,724,547</u>
			(Concluded)

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Vernon Parish School Board, Leesville, Louisiana. The Vernon Parish School Board (the "School Board") reporting entity is defined in note 1(A) to the School Board's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1(C) to the School Board's general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

Federal awards revenues are reported in the School Board's general-purpose financial statements as follows:

	<u>Federal Sources</u>
General Fund	\$3,106,108
Special Revenue Funds:	
Title I	1,570,150
Title VI	48,811
Title II	34,547
School Food Service	1,973,093
Head Start	1,017,659
Preschool	144,436
Other Special Funds	24,433
Job Training Partnership Act (JTPA)	26,222
Drug Free Schools	57,508
Adult Education	98,453
Vocational Education	193,626
Special Education	<u>429,501</u>
Total	<u>\$8,724,547</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1997

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - NONCASH PROGRAMS

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal awards are:

CFDA #93.600 84.243 10.550 Nutrition Cluster 10.553 10.555 10.559	CFDA Title: Head Start Vocational Education: Tech-Prep Education Food Distribution Program (Commodities) School Breakfast Program National School Lunch Program Summer Food Program for Children
---	---
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date FEB 25 1998

Willis A. Farris
President

Richard A. Schwartz
Superintendent

Dr. Larry Monk
Assistant Superintendent

William L. Endris, Jr.
Director of Business Affairs

Prepared by the Department of Finance

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

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VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

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